



**SUPPLEMENTAL AGENDA
PURCELLVILLE TOWN COUNCIL REGULAR MEETING
JULY 11, 2017, 7:00 PM
TOWN HALL COUNCIL CHAMBERS**

- 1) Information for **STANDING COMMITTEE/COMMISSION/BOARD REPORTS:**
9.e.i. Business Survey Results
(B. Herbert, Chairman/C. Bledsoe, Council Liaison) (pgs. 3-48)

- 2) Supplemental Information for **DISCUSSION/INFORMATION ITEMS:**
12b. Request for Proposals (RFP) for Management of Fireman's Field Complex
(D. Davis/K.Elgin) (pgs. 49-59)

- 3) Staff Report for **ACTION ITEMS:**
13a. Strategic Options for Enterprise Debt Realignment*
(D. Davis/L. Krens) (pgs. 61-95) (Motion pg. 64)

***Roll Call Votes**

IF YOU REQUIRE ANY TYPE OF REASONABLE ACCOMMODATION AS A RESULT OF PHYSICAL, SENSORY OR MENTAL DISABILITY IN ORDER TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT DIANA HAYS, TOWN CLERK, AT 540-338-7421. THREE DAYS NOTICE IS REQUESTED.

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ECONOMIC DEVELOPMENT ADVISORY COMMITTEE UPDATE

Item # 9.e.i

SUBJECT: Results of Business Survey

DATE OF MEETING: July 11, 2017

STAFF CONTACTS: Browning Herbert, EDAC Chair
Chris Bledsoe, Council Liaison to EDAC

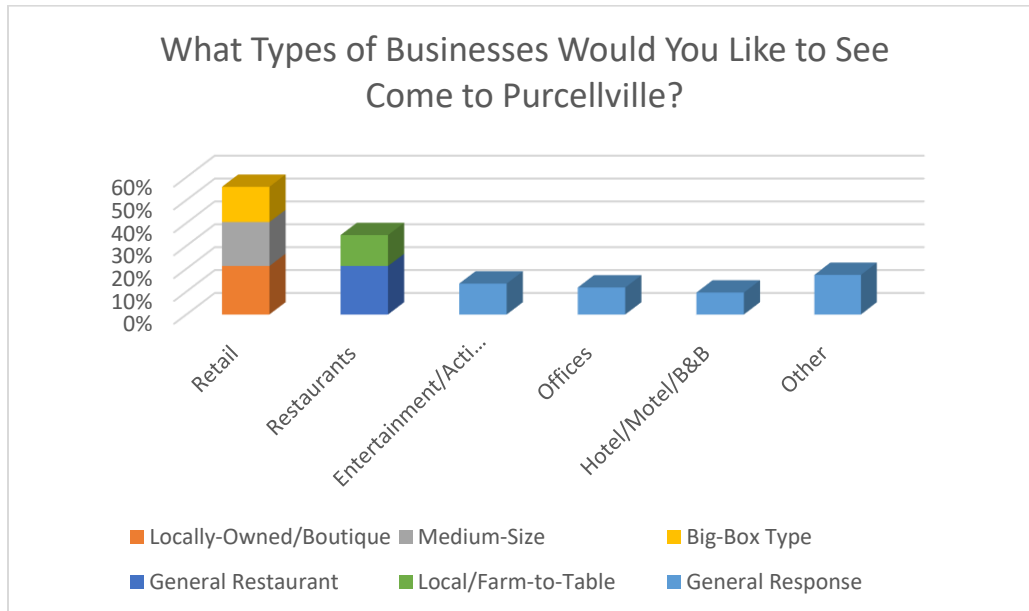
The Town Council has asked for a compilation of the results of the Business Survey conducted by EDAC. Attached is an overview, a document of observations, and results in both chart and response format.

This information will be shared on the Town website and as requested.

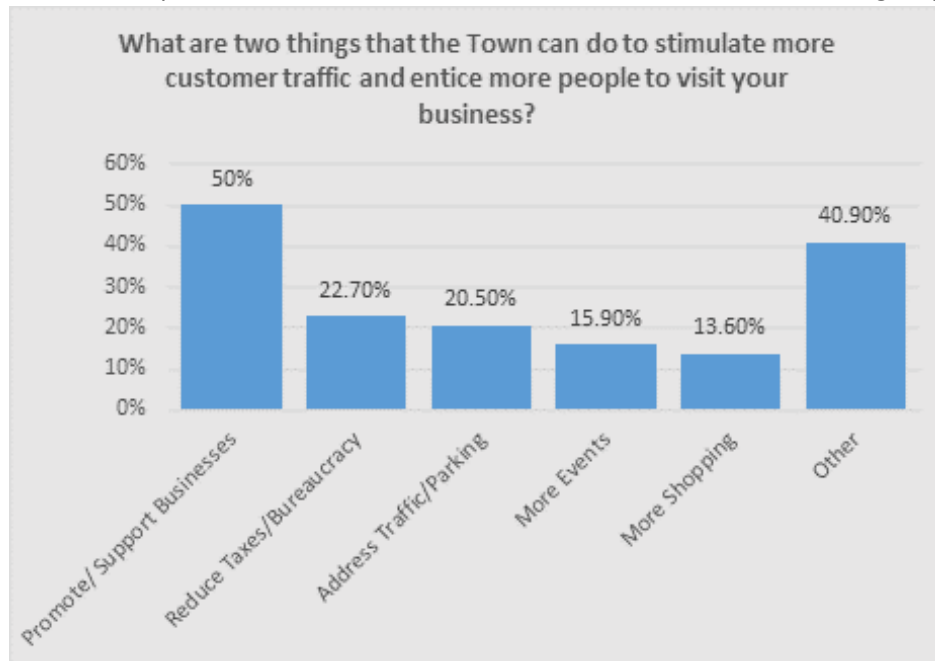
ATTACHMENT

Town of Purcellville Business Survey – Overview

- Most businesses are small (median is 4 employees) and new (less than 10 years old)
- Key skill sets required are customer service, computer skills, sales, and skilled labor
- Generally businesses are satisfied with their internet service, though reliability is a concern
- Businesses indicated that they would like to see additional retail and restaurants come to Purcellville (see below for a breakdown of types and response)



- The Town can help businesses stimulate more customer traffic in the following ways:



- Respondents were asked to provide their Top 2 Challenges with doing business in the Town. Results include: taxes and cost of doing business; parking, traffic, and walkability; and government, regulations, and bureaucracy
- 71% of respondents are satisfied or very satisfied with Town services (average rating is 3.94 out of 5, with 5 being the highest)

Economic Development Advisory Committee – Business Survey

June 13, 2017

Overview

The Economic Development Advisory Committee developed a questionnaire of local businesses that was open for response from January through March of 2017. This was distributed via News Release, social media, door-to-door outreach, personal contacts, and through the DECA program at Loudoun Valley High School. Sixty-five (65) responses were received.

The results of the survey have been provided previously in summary form but the open-ended responses had not yet been categorized or analyzed. It is important to note that taking open-ended responses and trying to group “like” responses can be a challenging proposition. The data below is compiled as best as possible for a broad review of the responses.

Summary of Responses

- 47.7% of businesses have been in Purcellville 5 years or less
- Avg. # of employees: 21 (if take out two largest employers, you are down to an average of 10 employees)
 - o Median # of employees: 4
- Just over 50% indicated it is difficult to hire employees
- Over 60% require at least a high school education; just over a quarter of businesses indicated they require at least a bachelor’s degree
- Top 4 skill sets required:
 - o Customer Service
 - o Computer Skills
 - o Sales
 - o Skilled Labor/Technician
- Internet:
 - o Speed doesn’t seem to be as big of a concern
 - o Reliability is biggest concern, along with overall quality
- What types of businesses would you like to see come to Purcellville (open-ended, could give multiple responses):
 - o 48% of responses said some kind of retail as their first response (over 50% when counting secondary responses)
 - 21% of responses prefer small/boutique/locally-owned retail
 - 13.5% look for medium-sized retail, such as office supply stores, mid-range hardware stores, and general retail
 - 13.5% stated a big-box store like Wal-Mart, Target, or Home Depot
 - o 25% of responses stated more restaurants as their first response (increases to 35% when counting secondary/tertiary responses)
 - 15% stated restaurants in general, or chains
 - 10% specifically mentioned local, farm-to-table, or not a chain
 - o 11.5% stated the Town needs more offices, professional services
 - o 5.8% stated the Town needs more light industrial or construction-related jobs

- 5.8% of responses are looking for more entertainment, family activities, and arts/culture/music as their primary need for the Town
 - Increases to over 17% when counting secondary/tertiary responses
 - 1.9% stated that hotel/motel/B&B/lodging was most important item, and this increases to 9.6% when including secondary/tertiary responses
- What are two things that the Town can do to stimulate more customer traffic and entire more people to visit your business (asked for two responses from each responder):
 - Over 27% gave first response as better promotion/marketing/communications/social media in support of local businesses
 - Increased to 50% when counting both first and second responses
 - 11.4% said more shopping, options, expansion
 - 11.4% said reduce taxes/fees
 - 6.8% named “more events” as first response, but increases to nearly 16% when counting both first and second responses
 - 6.8% named “more parking” as first response, but increases to 13.6% when counting both first and second responses
 - 6.8% named signage issues as first response, but increases to 11.4% when counting both first and second responses
- What are the 2 top challenges you have with the Town of Purcellville as it relates to your business:
 - By far highest response is taxes and cost of doing business (such as rent), which is over 25% of all primary responses and nearly 42% when including secondary responses as well.
 - 16.3% named parking/traffic/walkability as their primary top issue, and that rises to 23.3% counting secondary responses
 - 16.3% named regulations/bureaucracy/government as their primary challenge
 - Needing additional support from the Town was also stated by 16.3%, when counting both primary and secondary responses
- 71% of respondents are satisfied or very satisfied with Town Services, and average ratings is 3.94 out of 5 (with 5 being very satisfied).
- Only 8% of respondents use the Town’s website weekly, with nearly 80% saying they use the Town’s website “rarely.”
- The top sites visited are:
 - Calendar of Events (50%)
 - Business Directory (31.3%)
 - Town Meetings (31.3%)
 - Public Notices (31.3%)
- Regarding the meals tax, 49% answered “yes” to “Recognizing that many towns in Virginia are imposing a meals tax on guests, do you feel this additional charge prevents people from eating at a Purcellville restaurant?”
 - 26% answered “no”
 - 24.6% answered “Does not apply to my business”
 - This question may need to be revised for better clarity
 - Of the 9 businesses that identified as “Restaurant” in the survey, 7 of them (78%) responded that the Meals Tax keeps people from eating at a restaurant. This is a much higher rate than the responses from all businesses in aggregate.
 - However, of these 9 businesses, only 2 proactively identified “meals tax” as either a something the Town can do to better support their business or one of the top challenges with the Town.

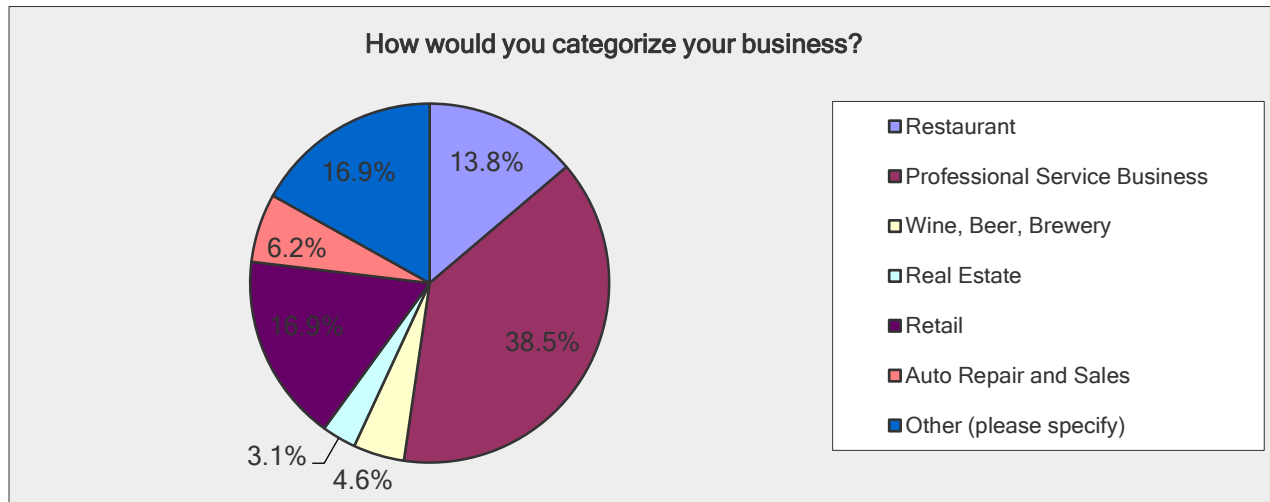
- Over 57% of respondents indicated they spend more than \$15 per person for dinner in Purcellville.
- Over 56% of respondents said they were likely or somewhat likely to recommend Purcellville to a friend looking to open up a business. The average response is 3.47 out of 5 (with 5 being “likely”).
 - o Eight (8) specifically answered “unlikely” to this question. That is 13%.

Observations

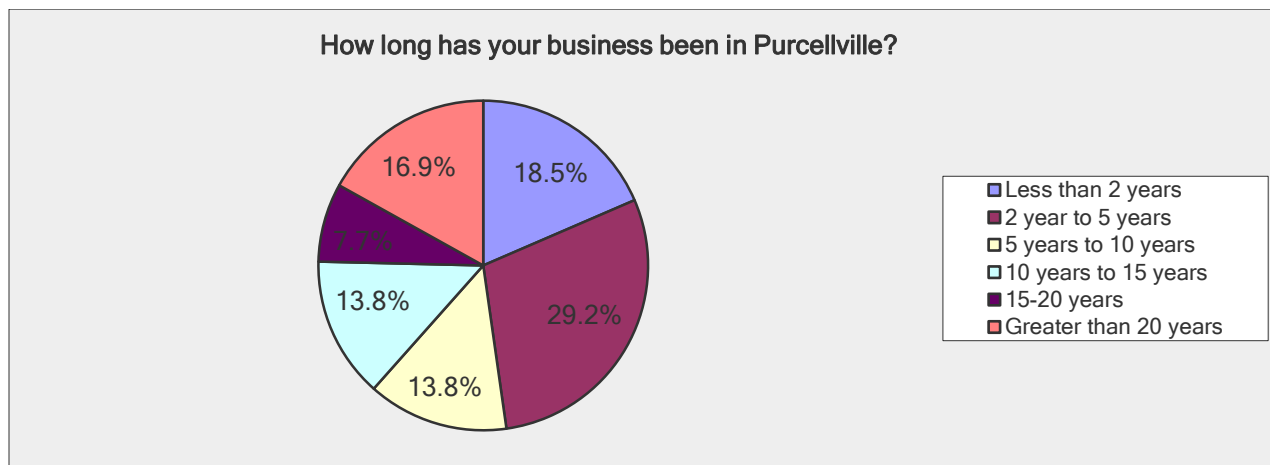
Below are some general observations based on the responses provided in the survey. The Council may wish to make specific recommendations or request additional information to better guide future projects.

- Provide better marketing/promotion of local businesses. Ideas may include:
 - o “Business of the Week”
 - Facebook/Twitter/Instagram/Other?
 - o Better promote Business Directory and Videos
 - o Creative marketing via Visit Loudoun and other partnerships
 - o Revamp and restart Shop Purcellville
- Look at ways to improve parking
 - o Update signage
 - o Better delineate parking/no-parking areas?
 - o Update and share parking map
- Business Signage
 - o Look at ways to build in flexibility in signage regulations during review and update of the Sign Ordinance
 - o Allow for signage for home-based businesses?
- Drive more traffic to businesses
 - o Update Retail Study so we see demand/leakage?
 - o How to encourage businesses that don’t cannibalize existing businesses?
 - (Some responses said “No More Restaurants” but still want more businesses so that more people will stop in Town to shop)
- Other Items
 - o Look at value of more office/commercial
 - o Look at entertainment/activity uses
 - o Look at hotel/motel
 - o Look at incentivizing local, boutique (non-chain) restaurants
- Wording of Questions:
 - o More clarity in academic level question (may have double-counted certain levels)
 - o More clarity in Meals Tax questions
 - Some did not respond because it did not apply to their business
 - o Other questions may need some tweaking to ensure we are asking questions clearly and are getting us the responses we are looking for

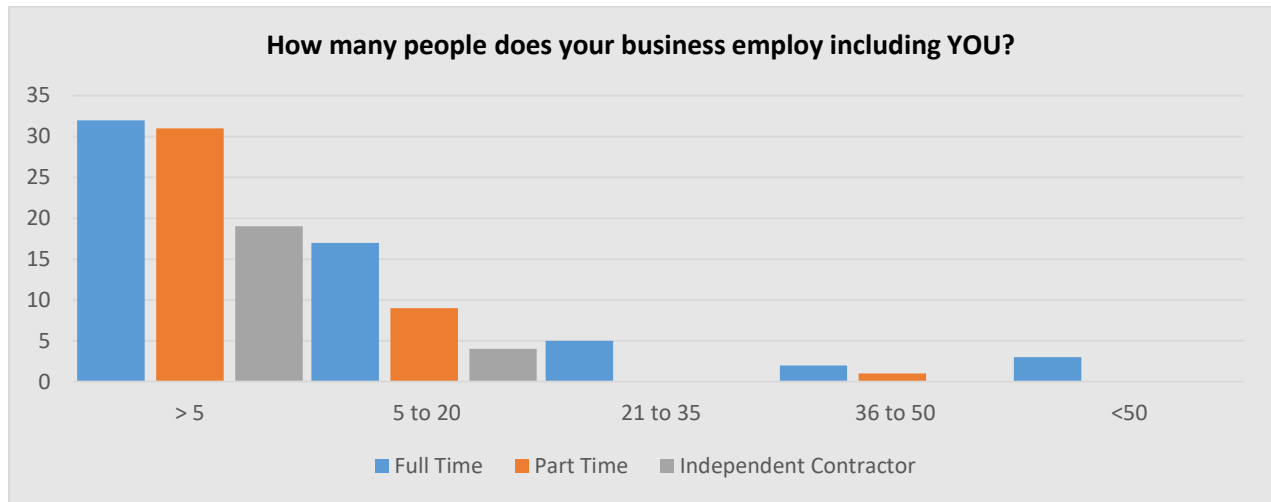
Question 1



Question 2



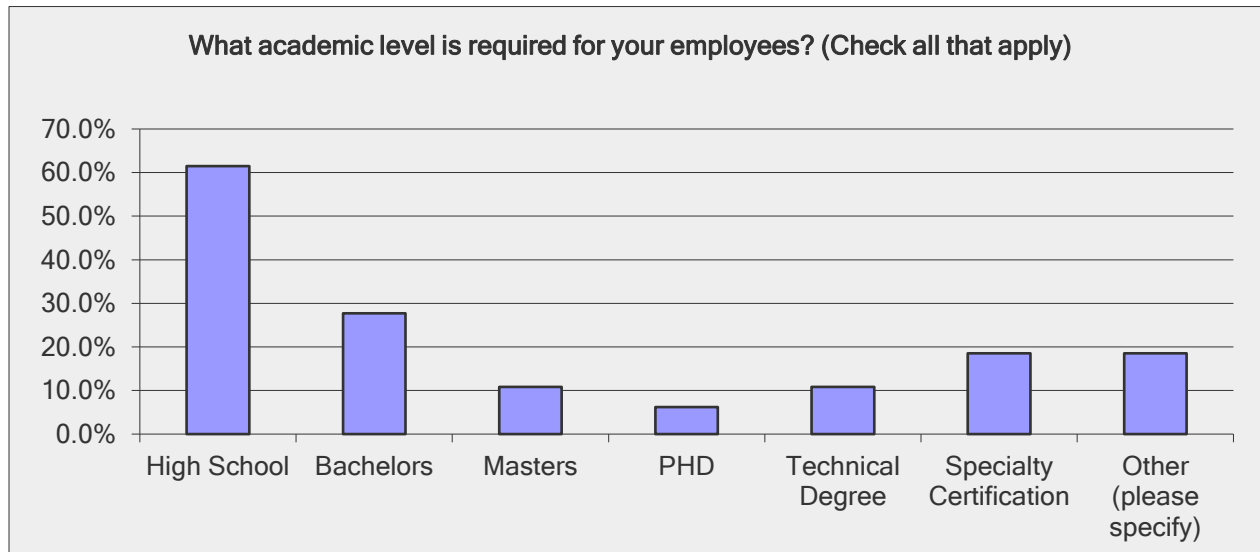
Question 3



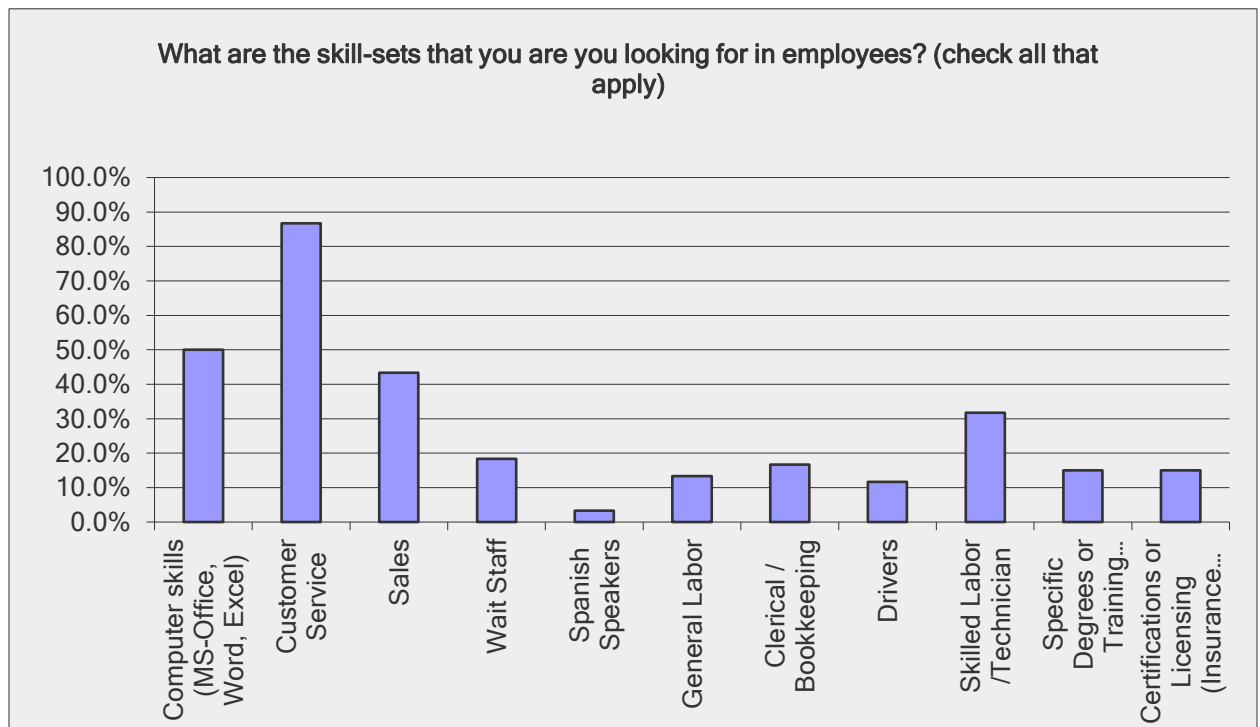
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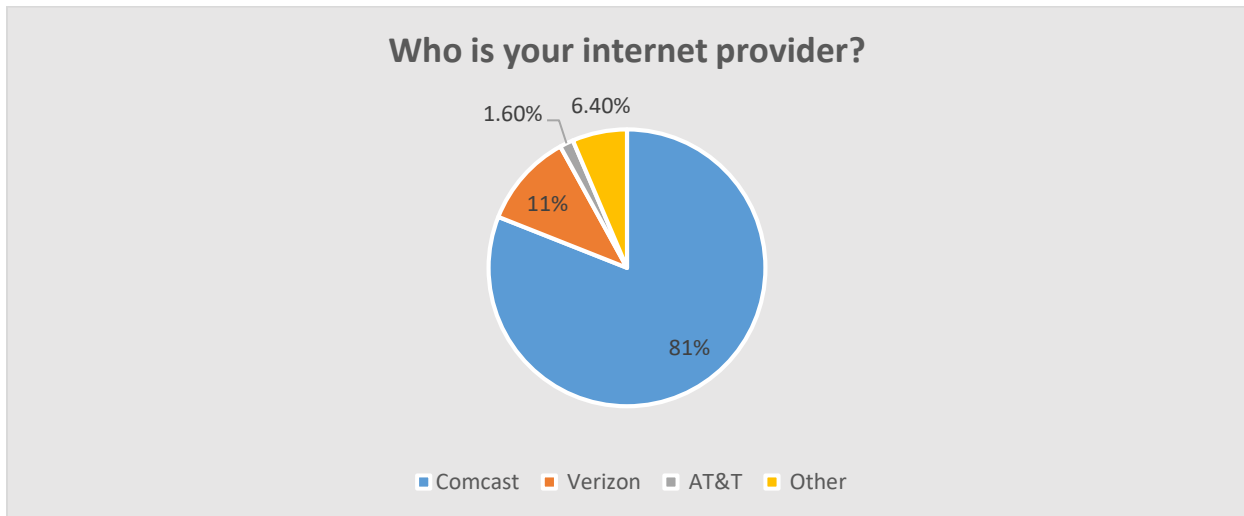
Question 5



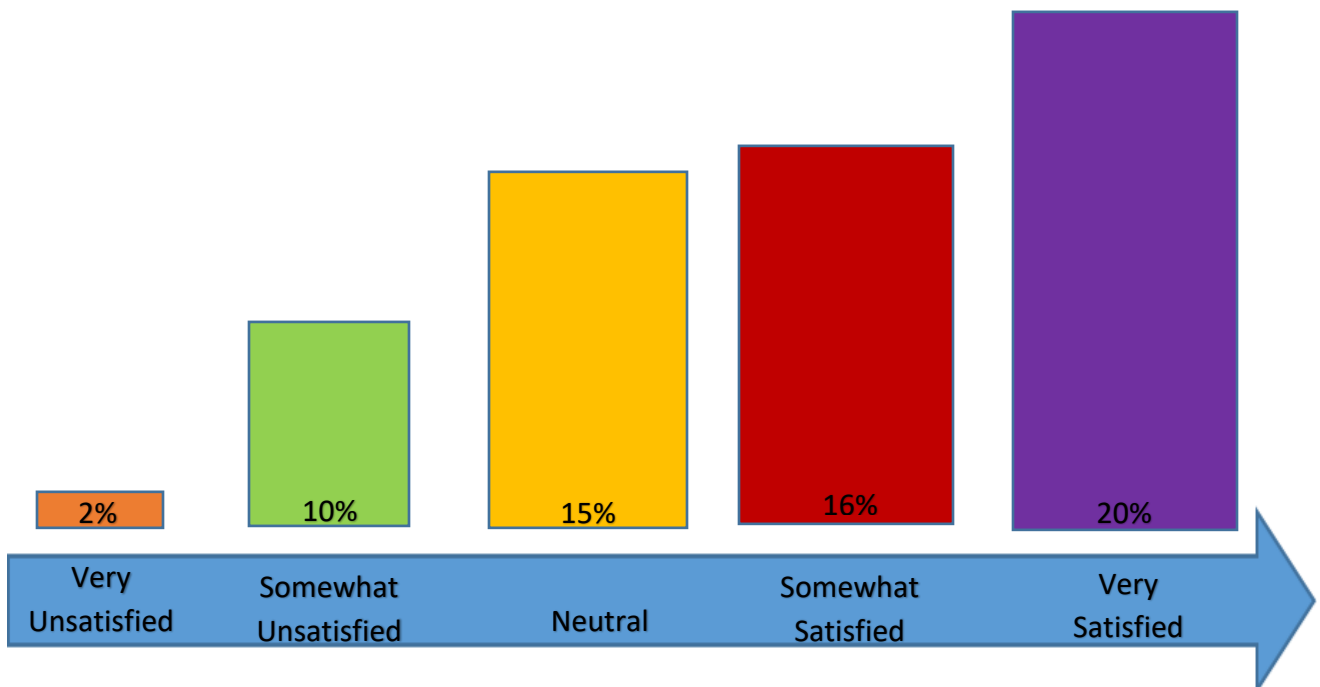
Question 6



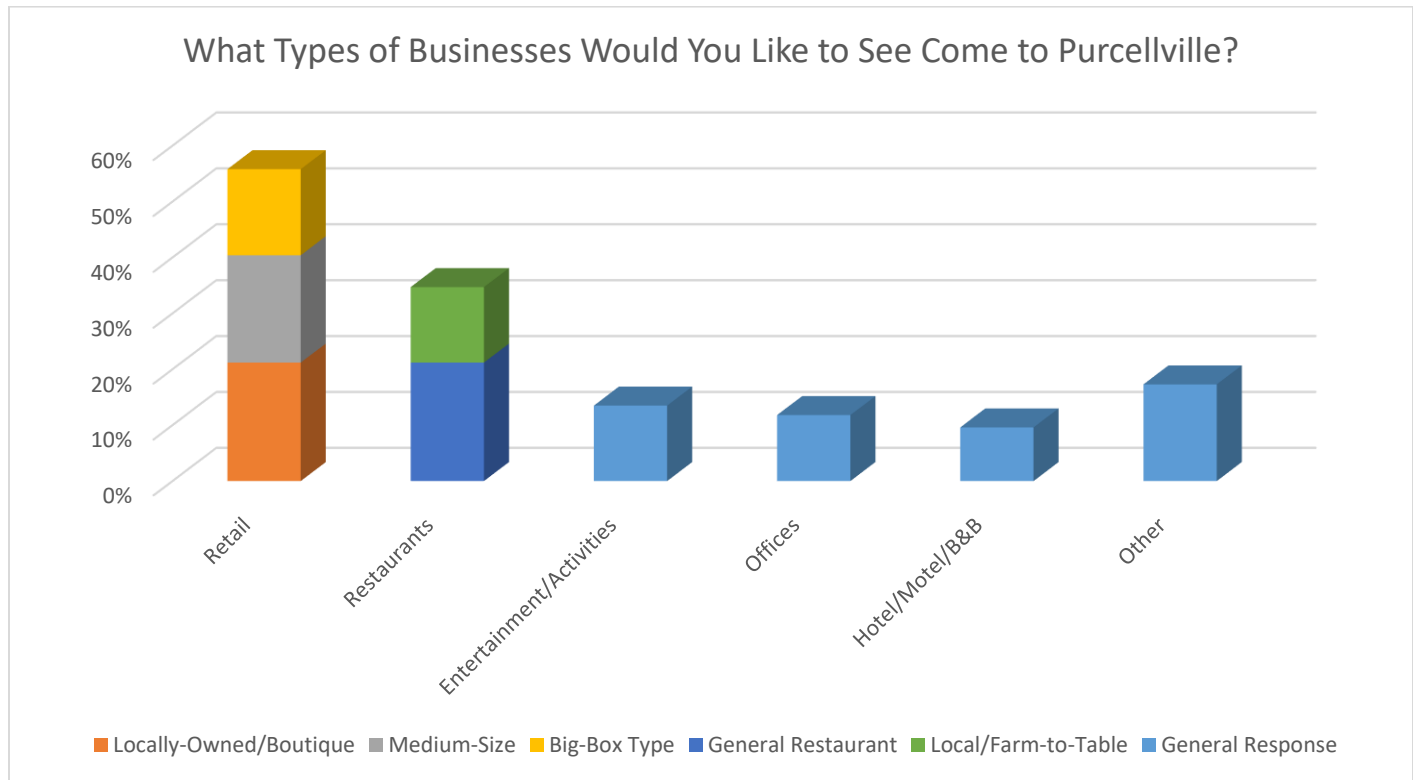
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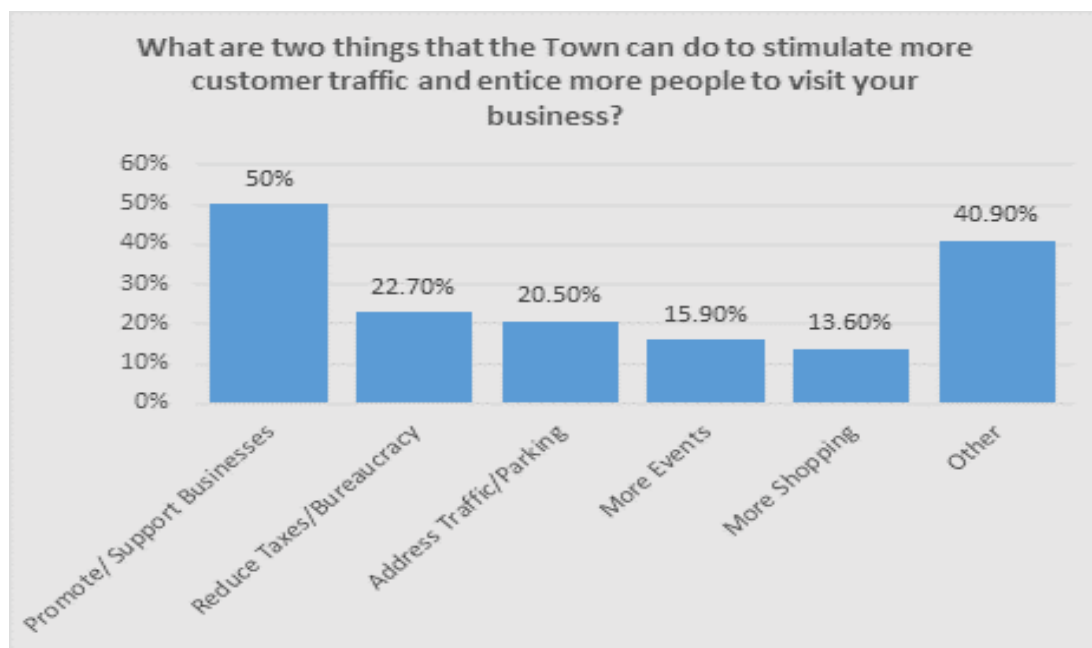
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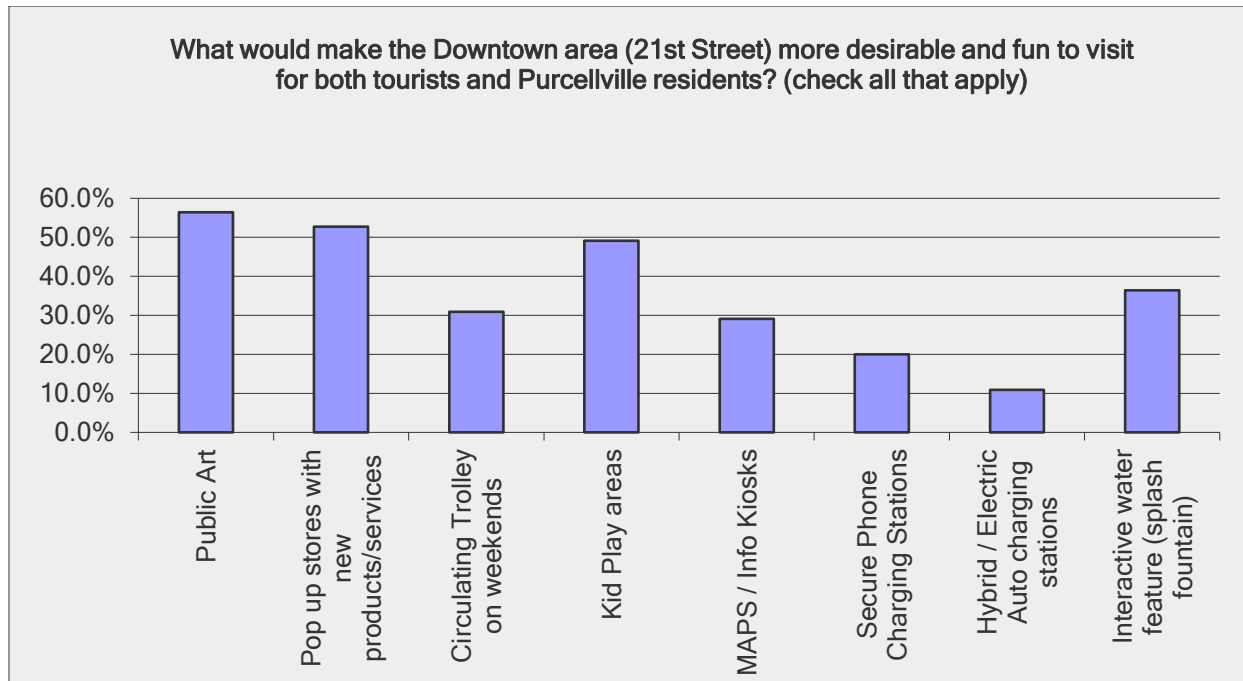
Question 9



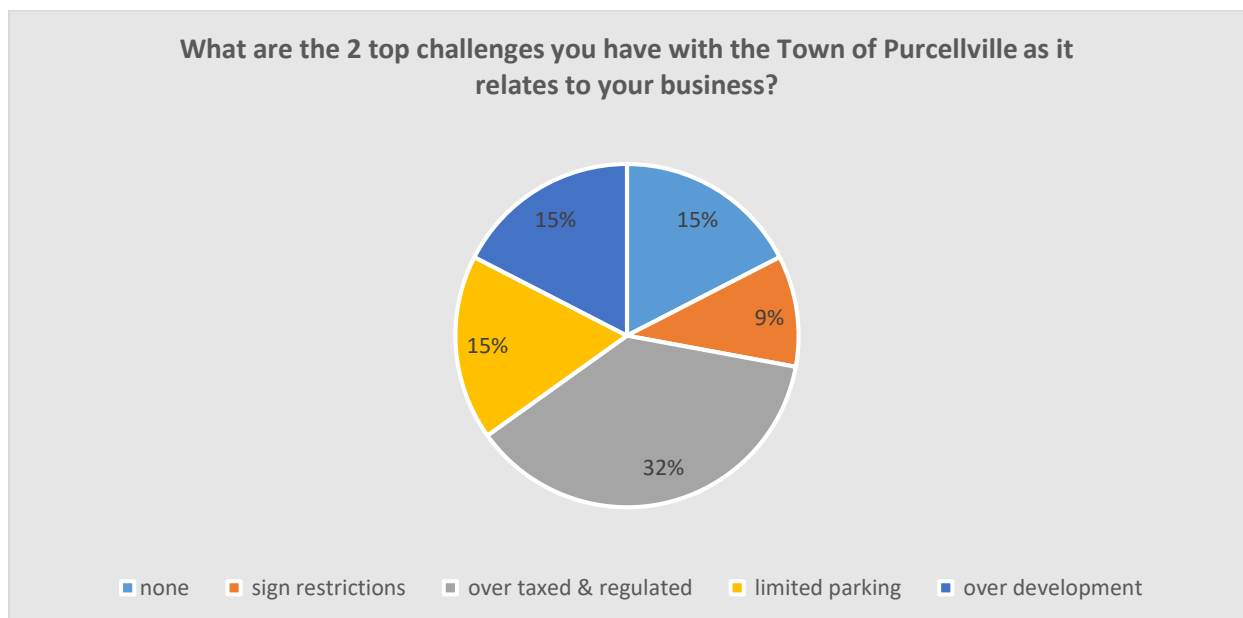
Question 10



Question 11

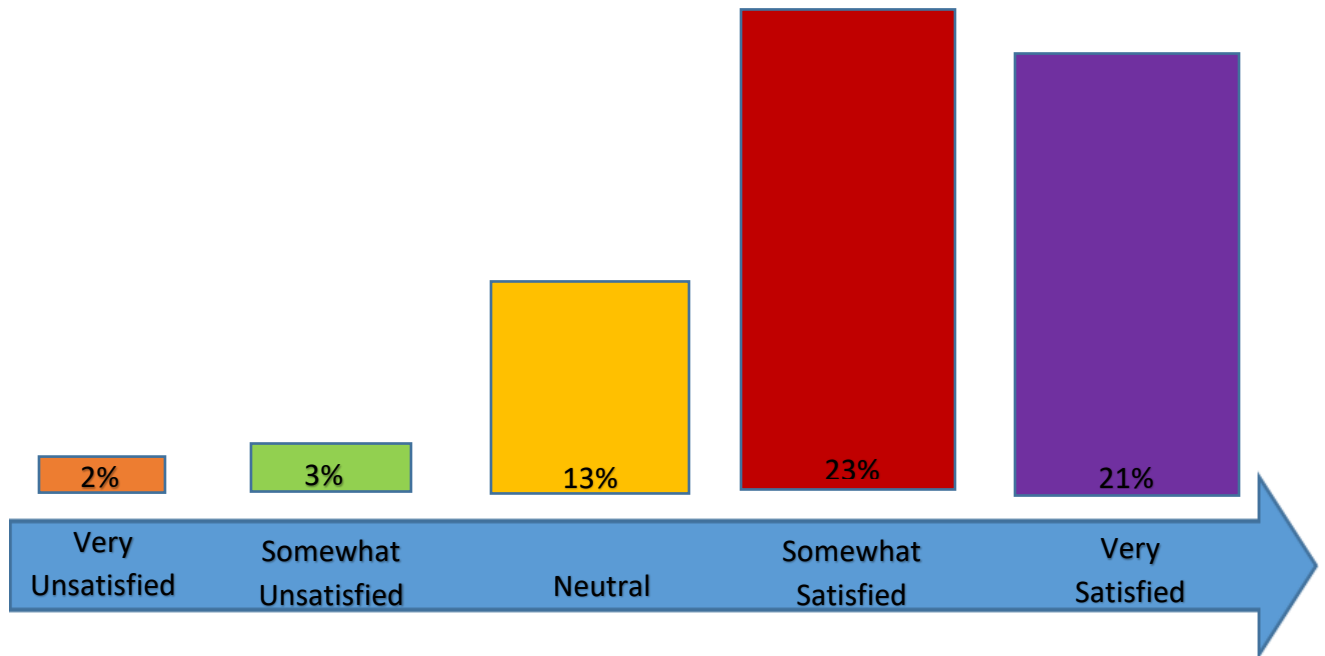


Question 12

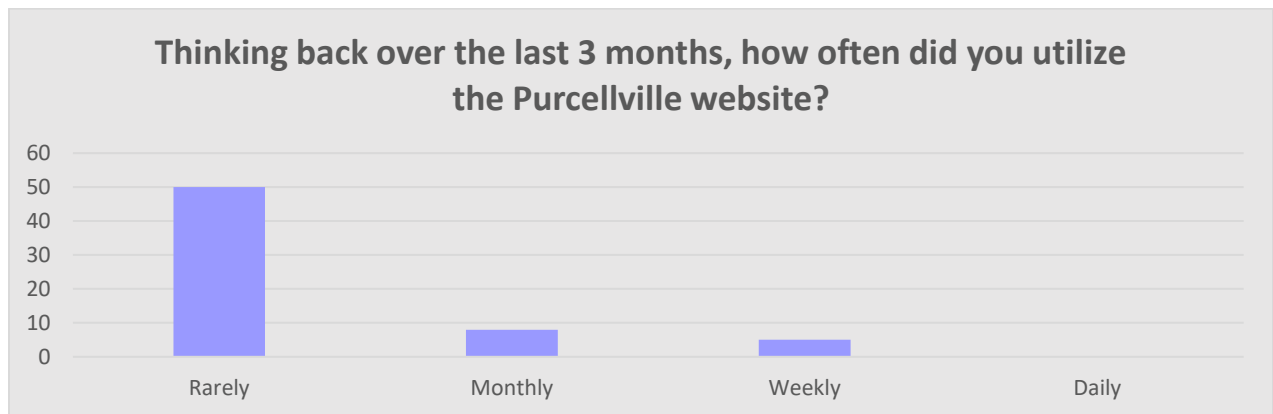


Question 13

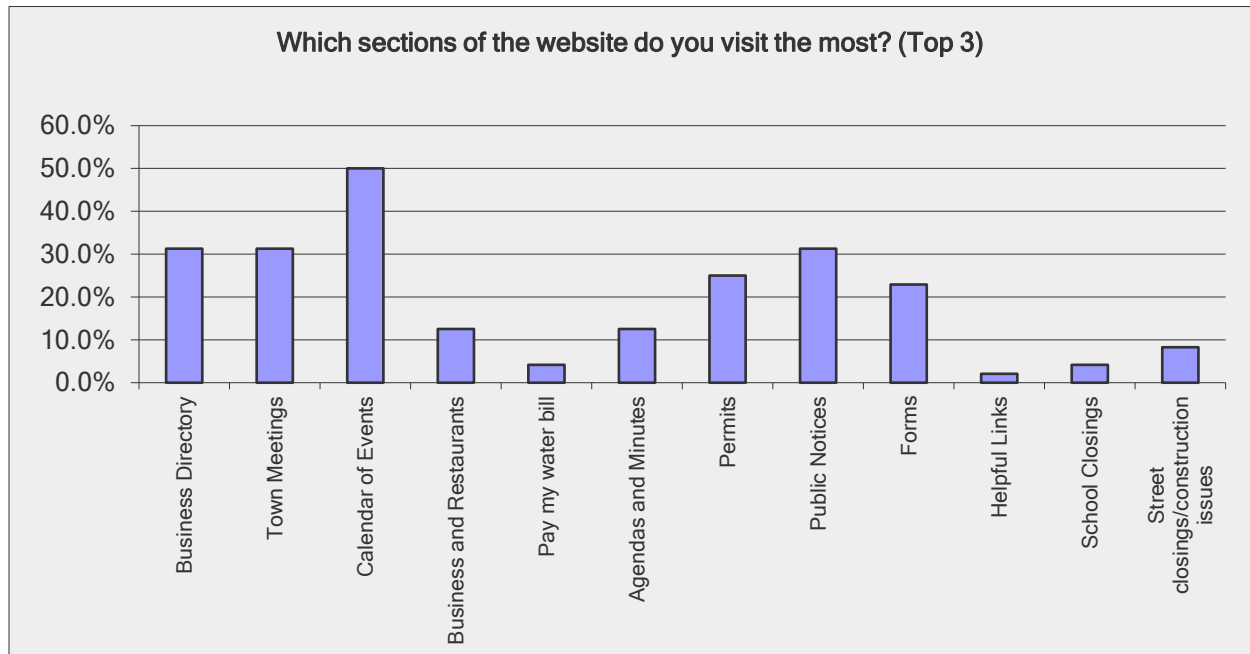
Overall, how satisfied are you with the quality of services that the Town of Purcellville provides?



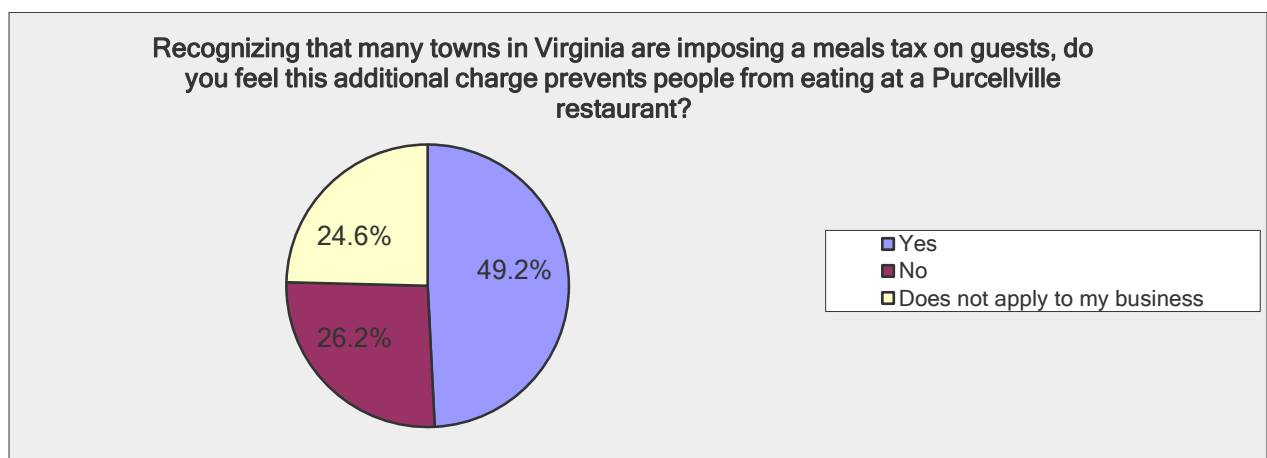
Question 14



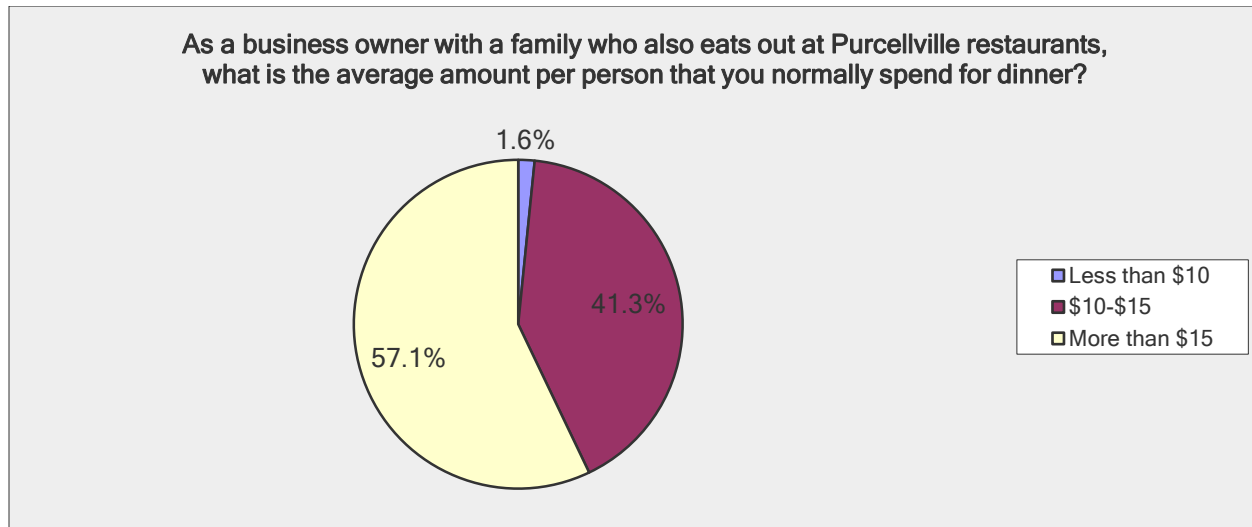
Question 15



Question 16

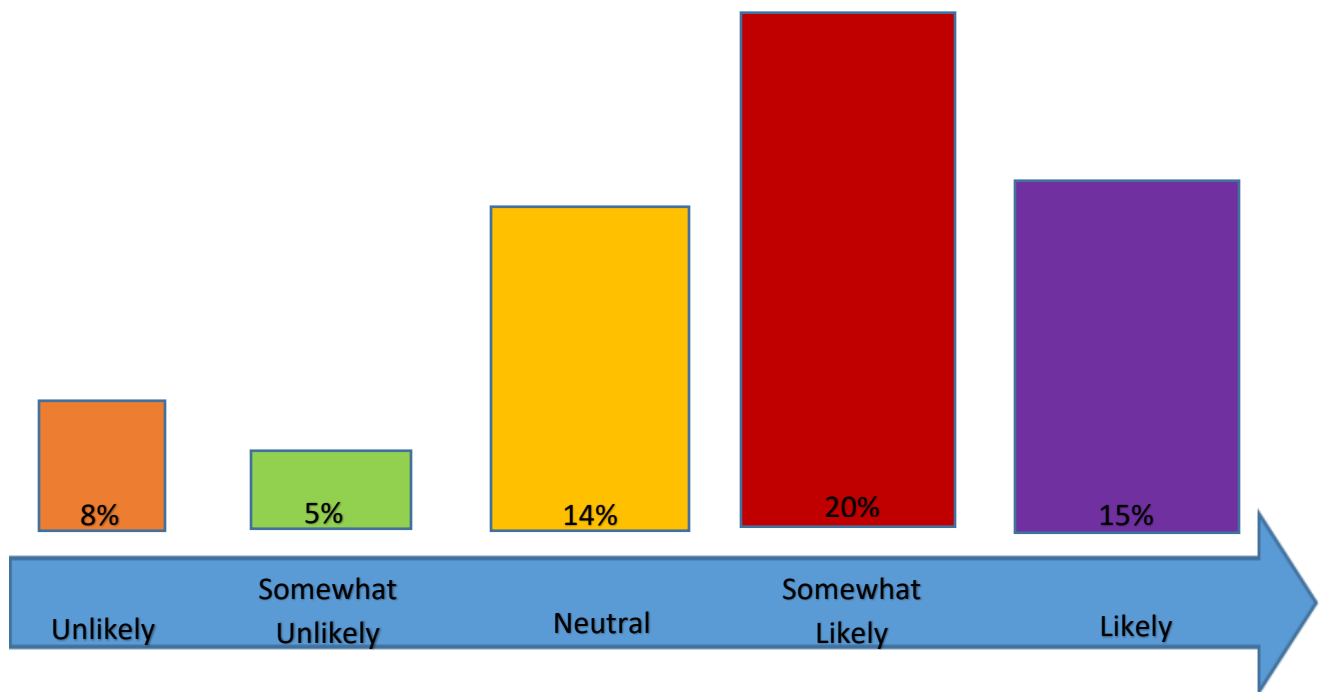


Question 17



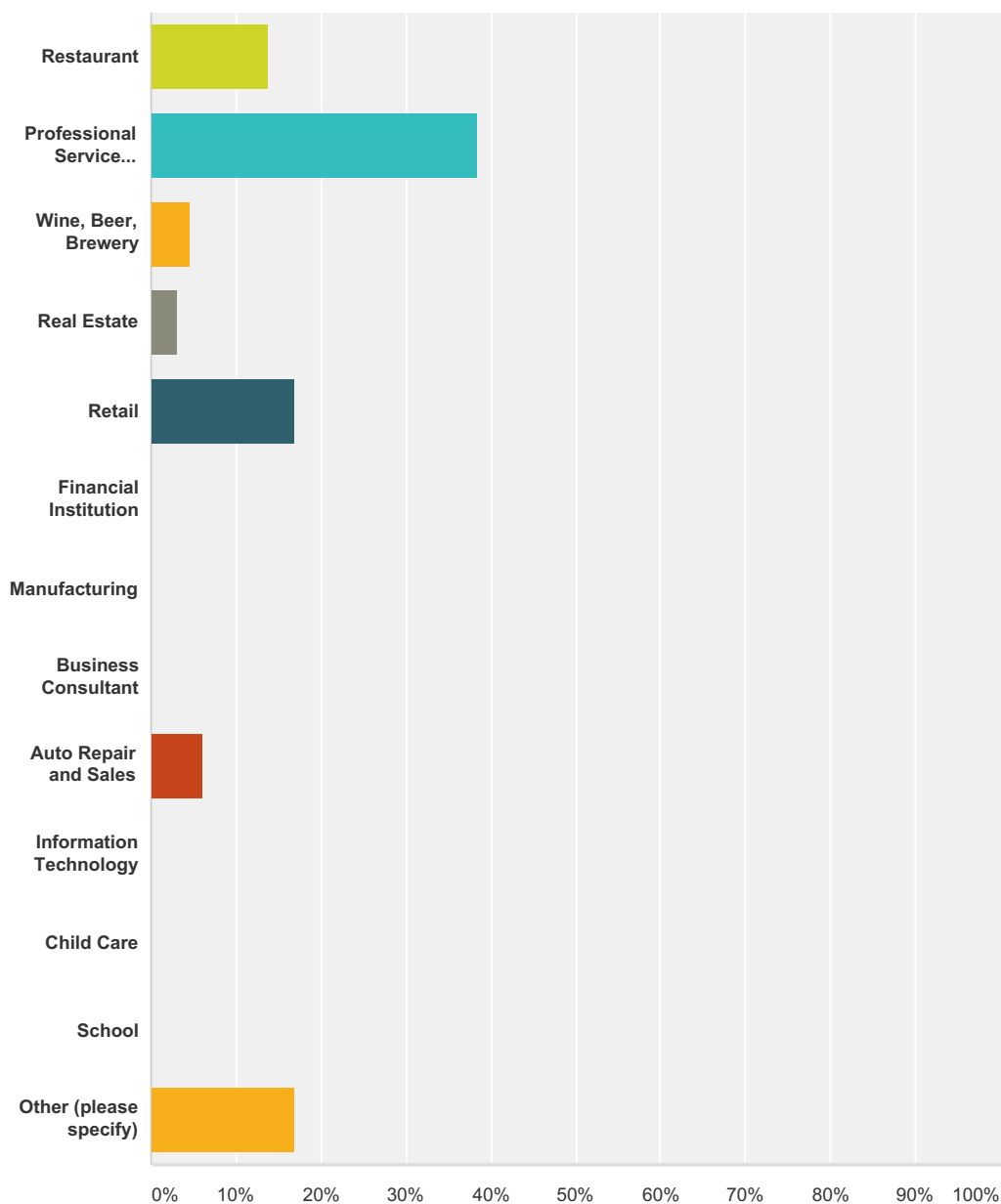
Question 18

How likely would you be to recommend Purcellville to a friend looking to open up a new business?



Q1 How would you categorize your business?

Answered: 65 Skipped: 0



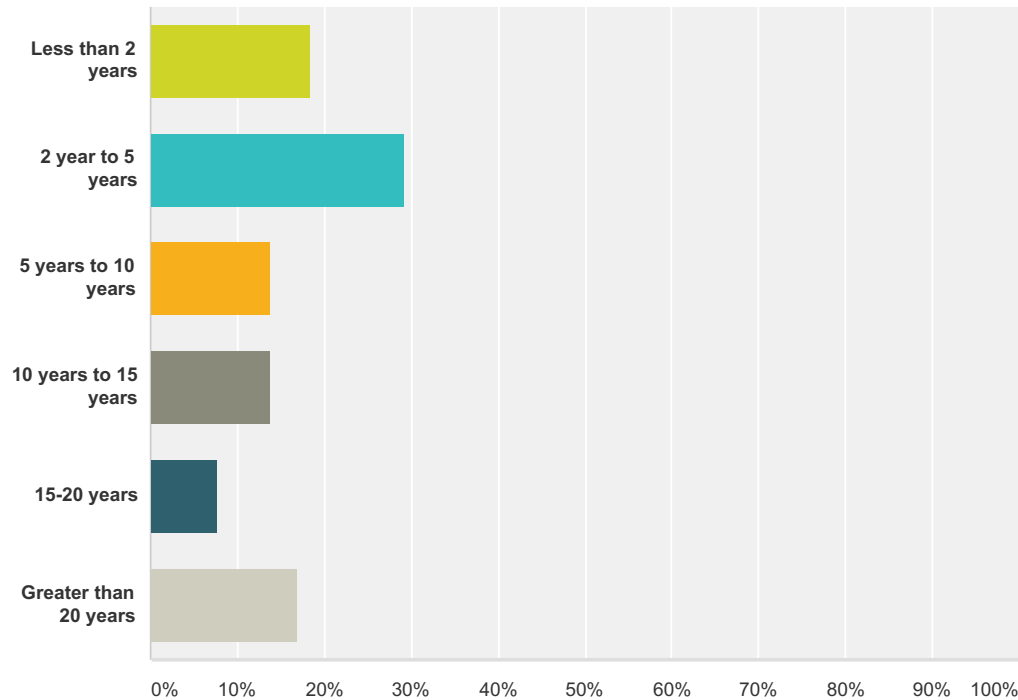
Answer Choices	Responses
Restaurant	13.85% 9
Professional Service Business	38.46% 25
Wine, Beer, Brewery	4.62% 3
Real Estate	3.08% 2
Retail	16.92% 11
Financial Institution	0.00% 0

Manufacturing	0.00%	0
Business Consultant	0.00%	0
Auto Repair and Sales	6.15%	4
Information Technology	0.00%	0
Child Care	0.00%	0
School	0.00%	0
Other (please specify)	16.92%	11
Total		65

#	Other (please specify)	Date
1	Fitness Studio	2/17/2017 8:33 PM
2	Home Improvement	2/13/2017 8:22 PM
3	Office units rental 1 location 7 offices	2/8/2017 4:44 PM
4	Retail and coffee shop	2/7/2017 9:36 AM
5	Fitness Studio	1/31/2017 5:42 PM
6	Family Fitness Center	1/30/2017 1:01 PM
7	Farm and lawn equipment sales, parts and service	1/21/2017 11:20 AM
8	Non profit organization	1/13/2017 12:55 PM
9	Home Builder and Remodeler	1/12/2017 2:16 PM
10	Photography	1/11/2017 5:25 PM
11	Consulting	1/11/2017 10:52 AM

Q2 How long has your business been in Purcellville?

Answered: 65 Skipped: 0



Answer Choices	Responses
Less than 2 years	18.46%12
2 year to 5 years	29.23%19
5 years to 10 years	13.85%9
10 years to 15 years	13.85%9
15-20 years	7.69%5
Greater than 20 years	16.92%11
Total	65

Q3 How many people does your business employ including YOU?

Answered: 65 Skipped: 0

Answer Choices	Responses
Full Time	90.77% 59
Part Time	66.15% 43
Independent Contractor	36.92% 24

#	Full Time	Date
1	2	3/15/2017 11:32 PM
2	2	3/6/2017 6:13 PM
3	3	3/4/2017 12:30 PM
4	1	3/2/2017 10:07 AM
5	10	2/27/2017 2:51 PM
6	1	2/17/2017 2:39 PM
7	10	2/17/2017 2:34 PM
8	4	2/16/2017 1:58 PM
9	500	2/16/2017 12:54 PM
10	10	2/15/2017 10:40 AM
11	1	2/15/2017 10:23 AM
12	12	2/13/2017 8:22 PM
13	4	2/13/2017 5:43 PM
14	145	2/13/2017 12:23 PM
15	tim clark	2/10/2017 4:21 PM
16	10	2/10/2017 3:14 PM
17	52	2/10/2017 2:09 PM
18	50	2/9/2017 5:51 PM
19	15	2/9/2017 8:47 AM
20	1	2/8/2017 12:42 PM
21	12	2/7/2017 5:38 PM
22	2	2/7/2017 1:51 PM
23	2	2/7/2017 11:56 AM
24	2	2/7/2017 9:36 AM
25	5	2/7/2017 9:16 AM
26	2	2/6/2017 5:23 PM
27	4	2/6/2017 5:16 PM
28	4	2/4/2017 6:47 PM
29	80	1/31/2017 3:03 PM
30	7	1/30/2017 6:18 PM

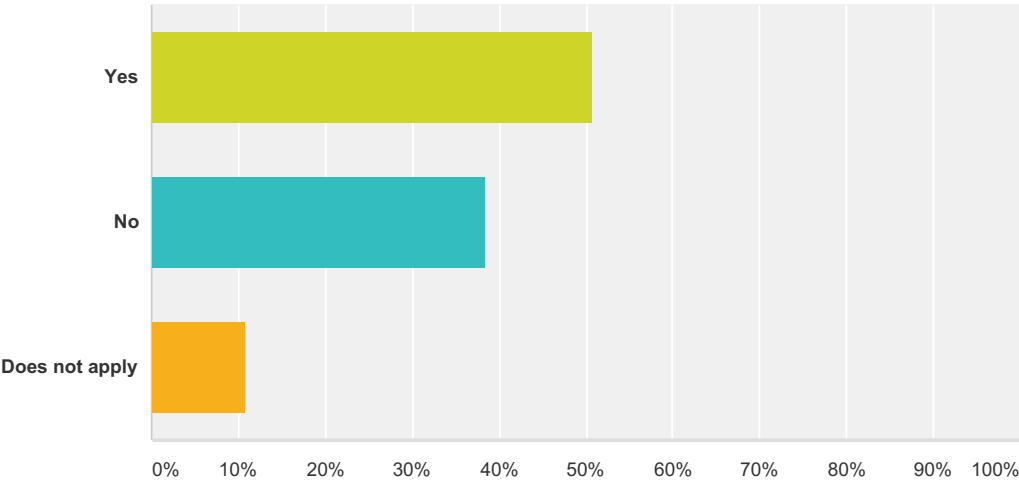
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32	24	1/30/2017 9:03 AM
33	7	1/29/2017 11:10 AM
34	3	1/28/2017 1:06 PM
35	1	1/28/2017 12:38 PM
36	15	1/27/2017 9:14 PM
37	2	1/26/2017 1:12 PM
38	3	1/26/2017 12:11 PM
39	16	1/21/2017 4:07 PM
40	one	1/21/2017 2:48 PM
41	34	1/21/2017 11:20 AM
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43	7	1/13/2017 5:27 PM
44	18	1/13/2017 2:14 PM
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47	28	1/13/2017 10:12 AM
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49	8	1/12/2017 3:21 PM
50	3	1/12/2017 2:16 PM
51	1	1/12/2017 11:58 AM
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57	5	1/11/2017 11:50 AM
58	1	1/11/2017 11:43 AM
59	Two	1/11/2017 10:52 AM
#	Part Time	Date
1	0	3/15/2017 11:32 PM
2	3	3/6/2017 6:13 PM
3	4	3/4/2017 12:30 PM
4	8	2/27/2017 2:51 PM
5	2	2/22/2017 4:02 PM
6	2	2/17/2017 2:39 PM
7	6	2/16/2017 1:58 PM
8	10	2/15/2017 10:40 AM
9	1	2/15/2017 10:23 AM
10	6	2/13/2017 5:43 PM
11	12	2/13/2017 3:17 PM

12	4	2/10/2017 3:14 PM
13	0	2/10/2017 2:09 PM
14	2	2/9/2017 8:47 AM
15	1	2/8/2017 4:44 PM
16	0	2/8/2017 12:42 PM
17	13	2/7/2017 5:38 PM
18	2	2/7/2017 9:36 AM
19	1	2/7/2017 9:16 AM
20	2	2/4/2017 6:47 PM
21	40	1/31/2017 3:03 PM
22	0	1/30/2017 6:18 PM
23	4-5	1/30/2017 1:01 PM
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25	2	1/28/2017 1:06 PM
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27	1	1/26/2017 1:12 PM
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34	6	1/13/2017 2:14 PM
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36	3	1/13/2017 10:12 AM
37	8	1/12/2017 8:55 PM
38	1	1/12/2017 3:21 PM
39	1	1/12/2017 11:58 AM
40	1	1/11/2017 1:06 PM
41	2	1/11/2017 12:33 PM
42	3	1/11/2017 11:50 AM
43	3	1/11/2017 11:43 AM
#	Independent Contractor	Date
1	0	3/15/2017 11:32 PM
2	6	2/17/2017 8:33 PM
3	1	2/17/2017 2:39 PM
4	1	2/16/2017 1:58 PM
5	varies	2/13/2017 8:22 PM
6	8	2/10/2017 2:09 PM
7	0	2/8/2017 12:42 PM
8	1	2/7/2017 1:51 PM

9	1	2/7/2017 9:36 AM
10	8	1/31/2017 5:42 PM
11	4	1/31/2017 3:03 PM
12	0	1/30/2017 6:18 PM
13	1	1/28/2017 12:38 PM
14	2	1/26/2017 1:12 PM
15	2	1/26/2017 12:11 PM
16	10	1/21/2017 4:07 PM
17	none	1/21/2017 2:48 PM
18	1	1/21/2017 11:20 AM
19	1	1/20/2017 2:42 PM
20	0	1/12/2017 3:21 PM
21	2	1/12/2017 2:16 PM
22	2	1/12/2017 11:58 AM
23	1	1/11/2017 5:25 PM
24	One	1/11/2017 10:52 AM

Q4 Do you find it difficult to hire employees?

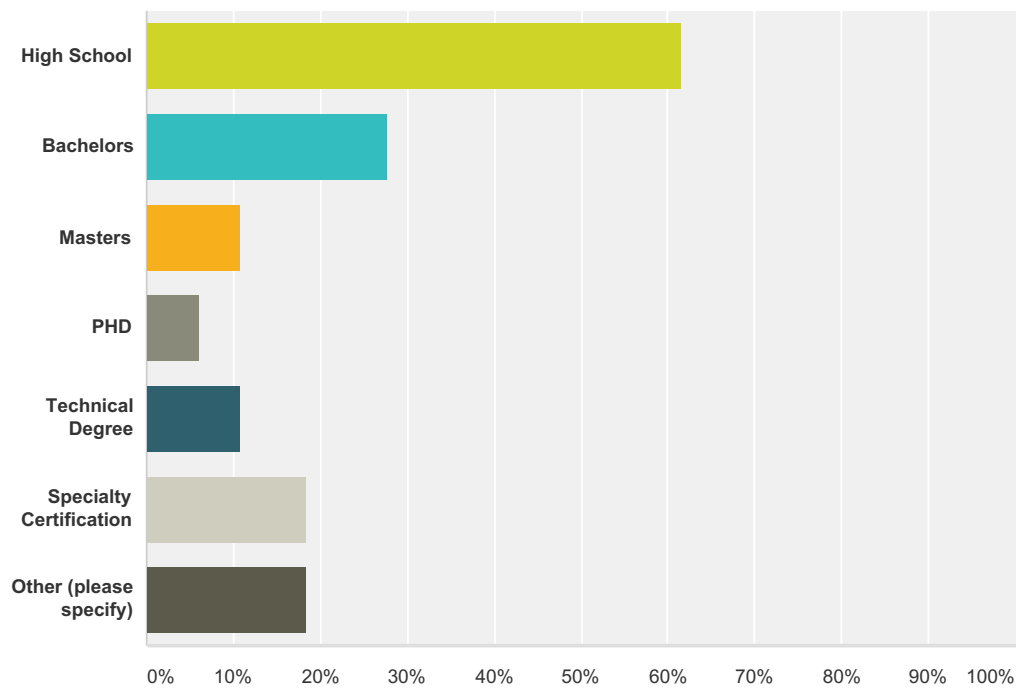
Answered: 65 Skipped: 0



Answer Choices	Responses	
Yes	50.77%	33
No	38.46%	25
Does not apply	10.77%	7
Total		65

Q5 What academic level is required for your employees? (Check all that apply)

Answered: 65 Skipped: 0



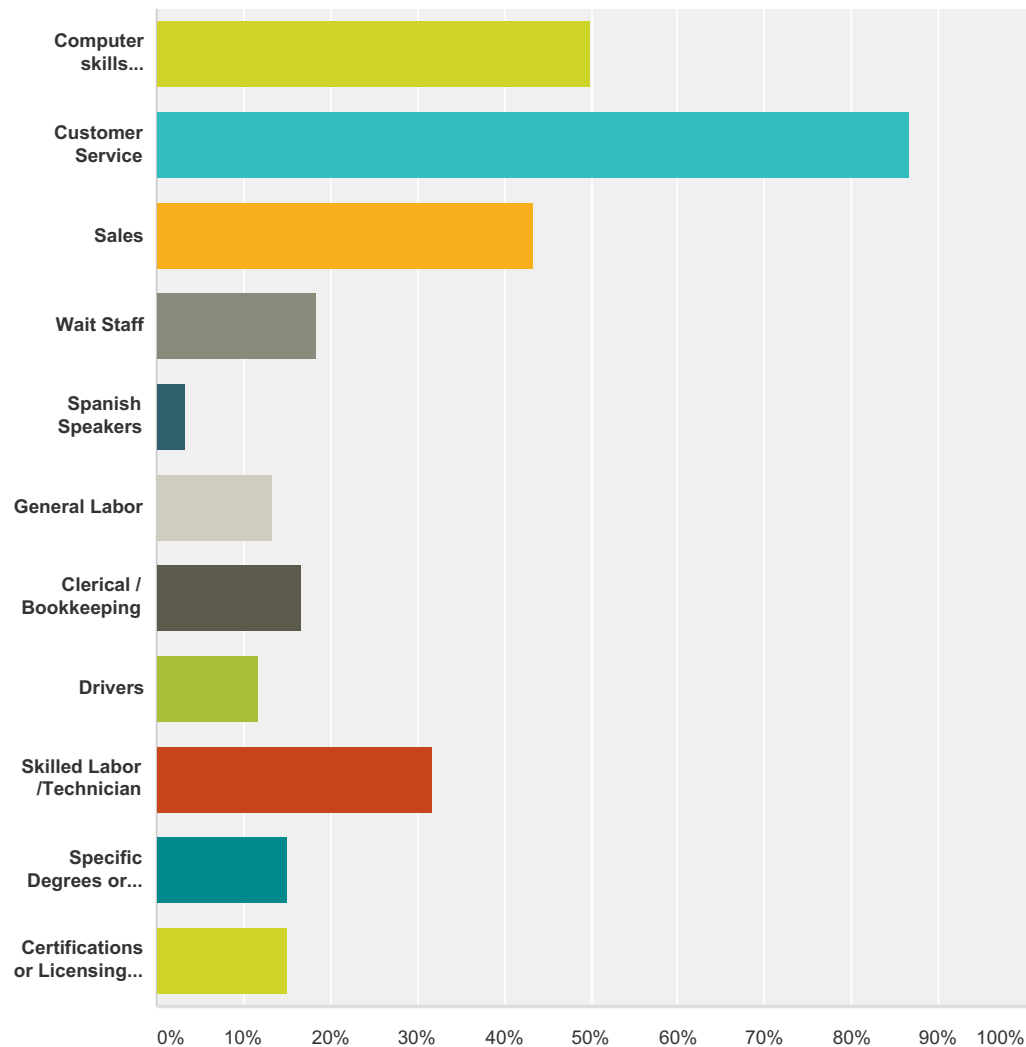
Answer Choices	Responses
High School	61.54% 40
Bachelors	27.69% 18
Masters	10.77% 7
PHD	6.15% 4
Technical Degree	10.77% 7
Specialty Certification	18.46% 12
Other (please specify)	18.46% 12
Total Respondents: 65	

#	Other (please specify)	Date
1	Horse Knowledge	3/6/2017 6:13 PM
2	Associates degree	3/4/2017 12:30 PM
3	We can train the right candidate	2/27/2017 2:51 PM
4	nine	2/13/2017 8:22 PM
5	N/A	2/8/2017 4:44 PM
6	Industry specific skills	2/7/2017 9:36 AM
7	I don't use academic level in hiring employees	2/6/2017 5:23 PM
8	No academic requirements.	1/30/2017 1:01 PM

9	none	1/30/2017 9:03 AM
10	None	1/12/2017 3:21 PM
11	PhD preferred, Masters accepted, except for Engineers, we will take a Bachelor's	1/12/2017 11:58 AM
12	n/a	1/11/2017 3:24 PM

Q6 What are the skill-sets that you are you looking for in employees? (check all that apply)

Answered: 60 Skipped: 5



Answer Choices	Responses
Computer skills (MS-Office, Word, Excel)	50.00% 30
Customer Service	86.67% 52
Sales	43.33% 26
Wait Staff	18.33% 11
Spanish Speakers	3.33% 2
General Labor	13.33% 8
Clerical / Bookkeeping	16.67% 10
Drivers	11.67% 7

Skilled Labor /Technician	31.67%	19
Specific Degrees or Training (Doctor, Lawyers, Dentists)	15.00%	9
Certifications or Licensing (Insurance Agent, CFP)	15.00%	9
Total Respondents: 60		

Q7 Who is your internet provider?

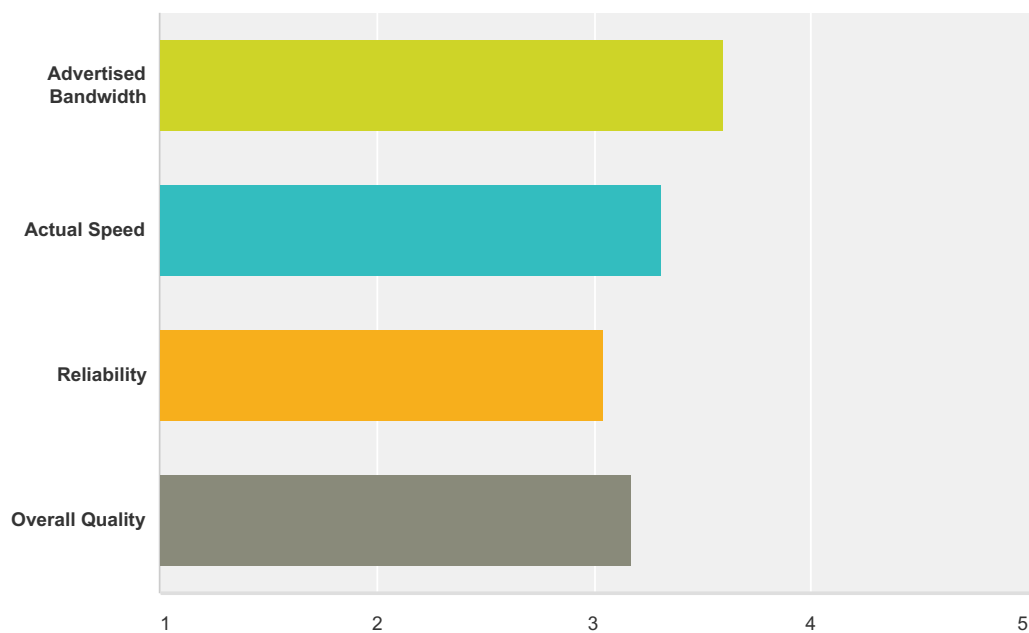
Answered: 63 Skipped: 2

#	Responses	Date
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2	Comcast	3/6/2017 6:13 PM
3	Comcast	3/4/2017 12:30 PM
4	comcast	3/2/2017 10:07 AM
5	Comcast	2/27/2017 2:51 PM
6	Comcast	2/22/2017 4:02 PM
7	Comcast	2/17/2017 8:33 PM
8	Comcast	2/17/2017 2:39 PM
9	comcast	2/17/2017 2:34 PM
10	Comcast	2/16/2017 1:58 PM
11	Comcast/Exfinity	2/16/2017 12:54 PM
12	Verizon	2/15/2017 10:40 AM
13	verizon	2/15/2017 10:23 AM
14	at+t	2/13/2017 8:22 PM
15	comcast	2/13/2017 5:43 PM
16	verizon	2/13/2017 3:17 PM
17	Comcast	2/13/2017 12:23 PM
18	comcast	2/10/2017 4:21 PM
19	comcast	2/10/2017 3:14 PM
20	Comcast	2/10/2017 2:09 PM
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23	Comcast	2/8/2017 4:44 PM
24	Comcast	2/8/2017 12:42 PM
25	verizon	2/7/2017 5:38 PM
26	comcast	2/7/2017 1:51 PM
27	Comcast	2/7/2017 11:56 AM
28	Comcast	2/7/2017 9:36 AM
29	comcast	2/7/2017 9:16 AM
30	Verizon	2/6/2017 5:23 PM
31	comcast	2/6/2017 5:16 PM
32	comcast	2/4/2017 6:47 PM
33	Comcast	1/31/2017 5:42 PM
34	Comcast and Verizon	1/31/2017 3:03 PM
35	Comcast	1/30/2017 6:18 PM

36	Comcast	1/30/2017 1:01 PM
37	I don't actually know. It's set up through our corporate offices.	1/30/2017 9:03 AM
38	comcast	1/29/2017 11:10 AM
39	Comcast	1/28/2017 1:06 PM
40	Comcast, but want FIOS	1/28/2017 12:38 PM
41	Verizon	1/27/2017 9:14 PM
42	Comcast	1/26/2017 1:12 PM
43	comcast	1/26/2017 12:11 PM
44	Comcast	1/21/2017 4:07 PM
45	comcast	1/21/2017 2:48 PM
46	Comcast	1/21/2017 11:20 AM
47	Comcast	1/20/2017 2:42 PM
48	N/A	1/13/2017 12:55 PM
49	Comcast	1/13/2017 12:35 PM
50	COMCAST	1/13/2017 10:12 AM
51	Comcast	1/12/2017 8:55 PM
52	Comcast	1/12/2017 3:21 PM
53	Comcast	1/12/2017 2:16 PM
54	Comcast	1/12/2017 11:58 AM
55	.?	1/11/2017 6:25 PM
56	Comcast	1/11/2017 5:25 PM
57	Comcast	1/11/2017 3:24 PM
58	Comcast	1/11/2017 1:06 PM
59	Comcast	1/11/2017 12:33 PM
60	comcast	1/11/2017 12:31 PM
61	COMCAST	1/11/2017 11:50 AM
62	Comcast	1/11/2017 11:43 AM
63	Verizon	1/11/2017 10:52 AM

Q8 How satisfied are you with the speed, bandwidth, reliability, and overall quality of your internet service?

Answered: 64 Skipped: 1



	Very Unsatisfied	Somewhat Unsatisfied	Neutral	Somewhat Satisfied	Very Satisfied	Total	Weighted Average
Advertised Bandwidth	3.17% 2	15.87% 10	23.81% 15	31.75% 20	25.40% 16	63	3.60
Actual Speed	7.81% 5	20.31% 13	23.44% 15	29.69% 19	18.75% 12	64	3.31
Reliability	17.19% 11	18.75% 12	21.88% 14	26.56% 17	15.63% 10	64	3.05
Overall Quality	6.25% 4	31.25% 20	17.19% 11	29.69% 19	15.63% 10	64	3.17

Q9 What types of businesses would you like to see come to Purcellville?

Answered: 57 Skipped: 8

#	Responses	Date
1	Place for office supplies, discount grocer (i.e. ALDI)	3/15/2017 11:32 PM
2	Office supply store	3/6/2017 6:13 PM
3	Non chain restaurants.	3/4/2017 12:30 PM
4	more quality farm to table food establishments, higher end retail shops, art galleries, music, art and food events each month.	3/2/2017 10:07 AM
5	More office buildings	2/27/2017 2:51 PM
6	Anchor stores to include discount clothing, hardware store, any business that invites new people to town	2/22/2017 4:02 PM
7	More restaurants	2/17/2017 8:33 PM
8	Places to eat Entertainment venues	2/17/2017 2:39 PM
9	Accounting & Law	2/17/2017 2:34 PM
10	More clothing boutiques, a boutique hotel or B&B, some activity center like theater, mini golf, or something to attract people into town	2/16/2017 1:58 PM
11	Target, Hotels, Cheesecake Factory, Olive Garden, Morton's Steakhouse, Gluten Free Bakery, Local Coffee Shop, food trucks	2/16/2017 12:54 PM
12	Marshall's, Kohl's, Home Depot	2/15/2017 10:40 AM
13	retail, big box, so we don't have to travel to Leesburg or Winchester	2/15/2017 10:23 AM
14	BAKERY, Late Night live music venue	2/13/2017 8:22 PM
15	There are TOO many coffee shops and pizza places. Need more 'Shopping places'.	2/13/2017 5:43 PM
16	clothing boutiques ! hotel entertainment for teenagers-besides a skate park elderly homecare uber/lift/taxi	2/13/2017 3:17 PM
17	More specialty, non-chain restaurants.	2/13/2017 12:23 PM
18	Retail such as clothing and household items such as towels etc. Not a huge chain store.	2/10/2017 3:14 PM
19	More light industrial	2/9/2017 5:51 PM
20	Restaurants	2/9/2017 8:47 AM
21	Restaurants	2/8/2017 4:44 PM
22	more places for mingling/spending time with others	2/8/2017 12:42 PM
23	Hotel	2/7/2017 5:38 PM
24	retail and consumer oriented service businesses. a hotel would be nice but the town does not have enough business travel for a hotel chain to locate here.	2/7/2017 1:51 PM
25	i would like to see a coworking space open up that is reasonably priced.	2/7/2017 11:56 AM
26	Locally owned and unique. More variety, creative. NOT chains and big box.	2/7/2017 9:36 AM
27	entertainment/activities for the youth	2/7/2017 9:16 AM
28	Clothing store	2/6/2017 5:23 PM
29	clothing store, office supply	2/4/2017 6:47 PM
30	Mo's. Cava. Chipotle	1/31/2017 5:42 PM
31	We are in pretty good shape, just need to support the ones that are here already. Possibly an adult assisted living facility and lodging.	1/31/2017 3:03 PM

32	Wal-Mart or Target and Restaurants	1/30/2017 6:18 PM
33	Bigger stores (hardware store, wal-mart, etc.)	1/30/2017 9:03 AM
34	Retail	1/29/2017 11:10 AM
35	Bowling Alley, Dave and Busters	1/28/2017 1:06 PM
36	Small ones	1/28/2017 12:38 PM
37	No more restaurants!	1/27/2017 9:14 PM
38	A bigger variety of dining options. Wal-mart.	1/26/2017 1:12 PM
39	deli, quick lube and oil change shop (Jiffy Lube), better gas station, wine store	1/26/2017 12:11 PM
40	Businesses that don't require store fronts, such as ours, Lowers Risk Group, etc. that employ white-collar workers. There's a possible added advantage to reducing commutes and gasoline expenses for in- or nearby-Purcellville residents fortunate enough to get such a job.	1/21/2017 4:07 PM
41	Businesses that provide much more income to the town than they cost in services.	1/21/2017 2:48 PM
42	I'm more concerned with helping existing businesses stay viable in town.	1/21/2017 11:20 AM
43	Name brand restaurant	1/13/2017 2:14 PM
44	N/A	1/13/2017 12:55 PM
45	Construction related	1/13/2017 12:35 PM
46	Service type business and business that bring people from our neighboring communities into town to shop for their necessities. I do not think the people driving from FX to drink a beer is a long term plan.	1/13/2017 10:12 AM
47	More grocery stores, entertainment venues, more restaurant options	1/12/2017 8:55 PM
48	Small businesses	1/12/2017 3:21 PM
49	Ace or Tru-Value Hardware	1/12/2017 2:16 PM
50	I am happy that we don't have big box stores, I would like to see more locally owned small businesses of all kinds, especially those who have live music :)	1/12/2017 11:58 AM
51	.?	1/11/2017 6:25 PM
52	Office supply store and coffee shop in downtown	1/11/2017 5:25 PM
53	Restaurants and grocery stores that focus on serving organic, local foods such as Sweetgreen, Cava, Trader Joes and Mom's Organic Market.	1/11/2017 3:24 PM
54	Smaller businesses. We do not need national chains or big box stores.	1/11/2017 12:33 PM
55	more service jobs that relate to construction manufacturing	1/11/2017 12:31 PM
56	right now I feel we have almost everything covered. Too many bushiness closing in the past few years.	1/11/2017 11:50 AM
57	Consumer goods retail (not drug or grocery stores)	1/11/2017 10:52 AM

Q10 What are two things that the Town can do to stimulate more customer traffic and entice more people to visit your business?

Answered: 53 Skipped: 12

Answer Choices	Responses
A.	100.00% 53
B.	69.81% 37

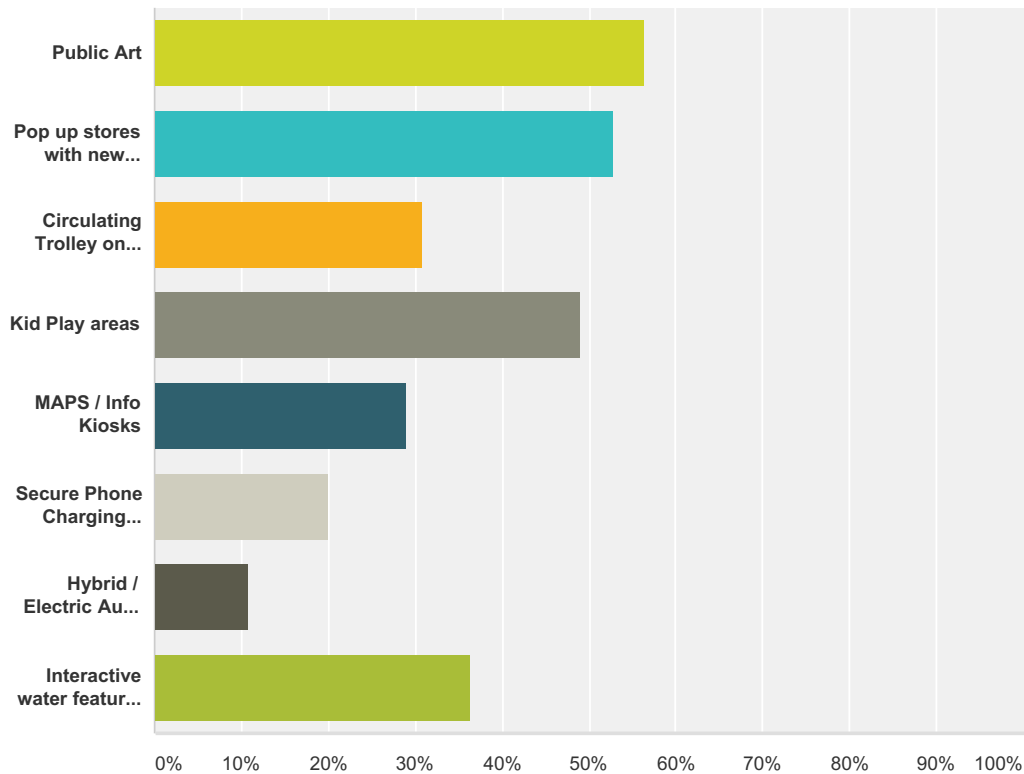
#	A.	Date
1	create a more vibrant downtown area	3/15/2017 11:32 PM
2	Promote to the horse community	3/6/2017 6:13 PM
3	Keep traffic flow under control	3/4/2017 12:30 PM
4	offer more town wide events	3/2/2017 10:07 AM
5	Promote local business	2/27/2017 2:51 PM
6	Stop approving more restaurants - most of us has	2/22/2017 4:02 PM
7	Engage in more social media aka Instagram	2/17/2017 2:39 PM
8	Ease traffic congestion in Town	2/17/2017 2:34 PM
9	Cut the Meal Tax	2/16/2017 1:58 PM
10	hotels with conference rooms	2/16/2017 12:54 PM
11	more town events	2/15/2017 10:40 AM
12	signage	2/15/2017 10:23 AM
13	Better marketing and event management	2/13/2017 8:22 PM
14	More Shopping Places	2/13/2017 5:43 PM
15	more parking!!!!	2/13/2017 3:17 PM
16	We don't need traffic, however clarity on what the Town and County requires when developing land needs to be improved. Way too expensive now, mostly because Engineers and other professionals don't know what the requirements are.	2/13/2017 12:23 PM
17	Farm Market featuring local artisans/open air market	2/10/2017 3:14 PM
18	Allow for more light industrial development	2/9/2017 5:51 PM
19	quit charging 11% tax on a beer. Maryland is only 9%	2/8/2017 4:44 PM
20	minimize the number of strip malls	2/8/2017 12:42 PM
21	less tax	2/7/2017 5:38 PM
22	not much	2/7/2017 1:51 PM
23	I don't have a retail store front. My clients mostly come through word of mouth or online networking.	2/7/2017 11:56 AM
24	Advertising and promotion	2/7/2017 9:36 AM
25	allow expansion	2/7/2017 9:16 AM
26	feature some of the artisan businesses	2/4/2017 6:47 PM
27	Website	1/31/2017 3:03 PM
28	Less Restrictions	1/30/2017 6:18 PM
29	Advertising maybe?	1/30/2017 9:03 AM

30	lower meals tax	1/29/2017 11:10 AM
31	fair marketing across the board	1/28/2017 1:06 PM
32	Promote to Western Loudoun	1/28/2017 12:38 PM
33	Approving a drive-through Starbucks in that shopping center that was already congested and causing a traffic nightmare	1/27/2017 9:14 PM
34	Increase downtown parking options	1/26/2017 1:12 PM
35	approve more new businesses	1/26/2017 12:11 PM
36	Not the kind of business that needs customer traffic.	1/21/2017 4:07 PM
37	n/a	1/21/2017 2:48 PM
38	Help traffic move through town-timing of lights.	1/21/2017 11:20 AM
39	Does a good job	1/13/2017 2:14 PM
40	Better Public Parking	1/13/2017 12:55 PM
41	N/A	1/13/2017 12:35 PM
42	Continue to improve sidewalks and downtown	1/13/2017 10:12 AM
43	Allow sidewalk signs (A-Frames)	1/12/2017 8:55 PM
44	N/A	1/12/2017 3:21 PM
45	Ours is not a walk-in business so I have no suggestions	1/12/2017 2:16 PM
46	Let home based businesses post a sign of at most 4 square feet (our current prohibition from advertising is stifling our business)	1/12/2017 11:58 AM
47	A gallery walk	1/11/2017 5:25 PM
48	Attract a greater variety of businesses, especially restaurants and shops	1/11/2017 3:24 PM
49	Advertise the town as a place to visit while in wine country for the day.	1/11/2017 12:33 PM
50	n/a	1/11/2017 12:31 PM
51	lower meals tax	1/11/2017 11:50 AM
52	Marketing to denser populated areas regarding the businesses in town	1/11/2017 11:43 AM
53	NA	1/11/2017 10:52 AM
#	B.	Date
1	Promote my shop as a unique shopping experience for both horse people and non-horse people	3/6/2017 6:13 PM
2	Better signage allowances	3/2/2017 10:07 AM
3	Support local business	2/27/2017 2:51 PM
4	Events for families and/or adults	2/22/2017 4:02 PM
5	Host larger town events to draw in out of town visitors	2/17/2017 2:39 PM
6	Maintain "small town feel"	2/17/2017 2:34 PM
7	Advertise... ESPECIALLY to the thousands of wine tourists around the area	2/16/2017 1:58 PM
8	signage directing to you to businesses off of Hirst road (brewery, enterprise, yoga studio,etc.)	2/16/2017 12:54 PM
9	Get the exterior of Purcellville Guns cleaned up	2/13/2017 8:22 PM
10	More events	2/13/2017 5:43 PM
11	interactive web page	2/13/2017 3:17 PM
12	We need reliable broadband service.	2/13/2017 12:23 PM
13	Dog park	2/10/2017 3:14 PM
14	Go easier on Zoning for businesses	2/9/2017 5:51 PM

15	ensure there is sufficient parking	2/8/2017 12:42 PM
16	If the town promoted and profiled individual businesses that might be helpful - point out our quality, value, etc.	2/7/2017 11:56 AM
17	Business highlighting	2/7/2017 9:36 AM
18	coordinate w/ Visit Loudoun to see how small businesses can be advertised as tourist stops	2/4/2017 6:47 PM
19	Tax benefits/cuts	1/31/2017 3:03 PM
20	Larger parking area	1/30/2017 6:18 PM
21	Talk about the culinary options throughout the town.	1/29/2017 11:10 AM
22	n/a	1/28/2017 1:06 PM
23	Boost current business directory via social media	1/28/2017 12:38 PM
24	Stop saturating Purcellville they can't support the ones that are already there.	1/27/2017 9:14 PM
25	continue to build sidewalks and keep the streets clean	1/26/2017 12:11 PM
26	N/A	1/13/2017 12:55 PM
27	N/A	1/13/2017 12:35 PM
28	Looks for more places to park close to downtown	1/13/2017 10:12 AM
29	Advertisement at the front of shopping centers	1/12/2017 8:55 PM
30	N/A	1/12/2017 3:21 PM
31	Allow home based businesses to buy permits for temporary signs around town.	1/12/2017 11:58 AM
32	More creative businesses	1/11/2017 5:25 PM
33	Hold a First Night event or similar like Leesburg does	1/11/2017 3:24 PM
34	Get more parking near/on 21st	1/11/2017 12:33 PM
35	promote the town	1/11/2017 11:50 AM
36	Reduce, or eliminate prohibitive business license costs for mobile food providers (food trucks). \$500/year license is far too much.	1/11/2017 11:43 AM
37	NA	1/11/2017 10:52 AM

Q11 What would make the Downtown area (21st Street) more desirable and fun to visit for both tourists and Purcellville residents? (check all that apply)

Answered: 55 Skipped: 10



Answer Choices	Responses
Public Art	56.36% 31
Pop up stores with new products/services	52.73% 29
Circulating Trolley on weekends	30.91% 17
Kid Play areas	49.09% 27
MAPS / Info Kiosks	29.09% 16
Secure Phone Charging Stations	20.00% 11
Hybrid / Electric Auto charging stations	10.91% 6
Interactive water feature (splash fountain)	36.36% 20
Total Respondents: 55	

Q12 What are the 2 top challenges you have with the Town of Purcellville as it relates to your business?

Answered: 53 Skipped: 12

Answer Choices	Responses
A.	100.00% 53
B.	67.92% 36

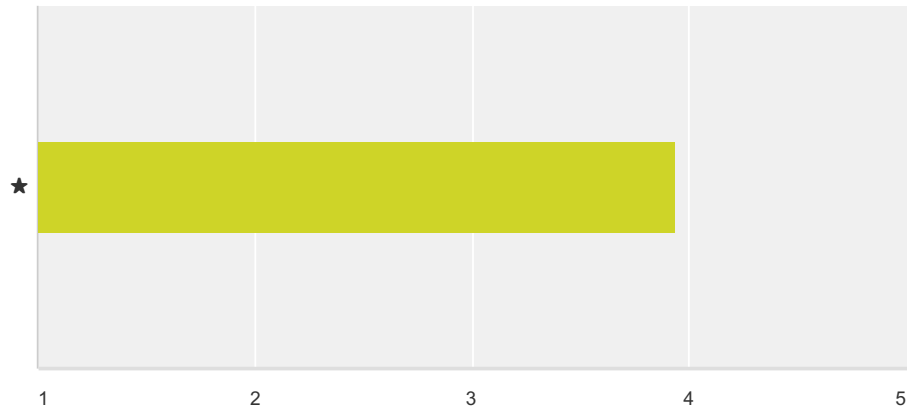
#	A.	Date
1	no challenges	3/15/2017 11:32 PM
2	Signage	3/2/2017 10:07 AM
3	Customers complain about the meal tax	2/27/2017 2:51 PM
4	Too many new restaurants which has decreased traffic & profitability	2/22/2017 4:02 PM
5	Over Taxed	2/17/2017 2:34 PM
6	Too few visitors/residents to pull from and too many breweries in the area	2/16/2017 1:58 PM
7	parking	2/16/2017 12:54 PM
8	Not doing enough to add density to downtown	2/13/2017 8:22 PM
9	Too many other places to eat. Over saturation of eateries.	2/13/2017 5:43 PM
10	parking	2/13/2017 3:17 PM
11	Reliable, competitive broadband service. regarding question 11, I don't feel any of the unchecked items will drive traffic to 21st street.	2/13/2017 12:23 PM
12	street parking	2/10/2017 4:21 PM
13	Rent is extremely high for small businesses	2/10/2017 3:14 PM
14	parking lots	2/10/2017 2:09 PM
15	Signs	2/9/2017 8:47 AM
16	Purcellville is pretty easy to work with.	2/8/2017 4:44 PM
17	taxes for both the Town and Loudoun County	2/8/2017 12:42 PM
18	A a cpa firm there is not much the town can do that will help or hurt our business. WE do not rely on walk in access	2/7/2017 1:51 PM
19	The restaurant tax is too high.	2/7/2017 11:56 AM
20	Unfreindly, favoritism towards certain business.	2/7/2017 9:36 AM
21	zoneing regulations	2/7/2017 9:16 AM
22	sign restrictions	2/4/2017 6:47 PM
23	none	1/31/2017 5:42 PM
24	cost of sewer/water	1/31/2017 3:03 PM
25	A lot of competition	1/30/2017 6:18 PM
26	County school buses not allowed in shopping center	1/30/2017 1:01 PM
27	Hiring	1/30/2017 9:03 AM
28	taxes - guests regularly complain about meals tax	1/29/2017 11:10 AM
29	fair marketing and mentioning across the board	1/28/2017 1:06 PM
30	None	1/28/2017 12:38 PM

31	Saturating the town with too many restaurants	1/27/2017 9:14 PM
32	2-HOUR TIME CONSTRAINT FOR PARKING ON 21ST ST	1/26/2017 1:12 PM
33	inability of Council to define its mission	1/26/2017 12:11 PM
34	None.	1/21/2017 4:07 PM
35	none	1/21/2017 2:48 PM
36	Taxes based on gross sales.	1/21/2017 11:20 AM
37	timely and correct mail delivery	1/20/2017 2:42 PM
38	None	1/13/2017 2:14 PM
39	N/A	1/13/2017 12:55 PM
40	Regulations	1/13/2017 12:35 PM
41	TC is unpredictable with their expectations	1/13/2017 10:12 AM
42	Advertisement	1/12/2017 8:55 PM
43	Signage/marketing	1/12/2017 3:21 PM
44	I rarely need to interact with the Town in the conduct of my Business.	1/12/2017 2:16 PM
45	As a home based business, I am not allowed to have a sign in front (not even a small one) - in other words, I am prevented from physical advertising	1/12/2017 11:58 AM
46	It works really well	1/11/2017 6:25 PM
47	Rents too high for small businesses	1/11/2017 5:25 PM
48	Expensive and time intensive to pay permit fees and taxes to both Town of Purcellville & Loudoun Co.	1/11/2017 3:24 PM
49	Enforcing parking on 21st Street	1/11/2017 12:33 PM
50	length of time for approval or rejection of projects	1/11/2017 12:31 PM
51	enforcement of 2 hour parking on 21st Street!!!!	1/11/2017 11:50 AM
52	Too many competing businesses of the exact same nature. The town is not big enough to support too many.	1/11/2017 11:43 AM
53	A seeming bias by town staff toward traditional developers	1/11/2017 10:52 AM
#	B.	Date
1	Structured support (meetings and events) for all small business	3/2/2017 10:07 AM
2	Parking	2/22/2017 4:02 PM
3	Cost/Taxes too high for the return for this type of business	2/16/2017 1:58 PM
4	hotel	2/16/2017 12:54 PM
5	Adding too many shopping centers outside downtown	2/13/2017 8:22 PM
6	Not enough places to 'Shop'	2/13/2017 5:43 PM
7	meals tax-please eliminate	2/13/2017 3:17 PM
8	This isn't a challenge for my business, but I strongly feel the meals tax is excessive. Tax tobacco products or vaping more if you can.	2/13/2017 12:23 PM
9	street parking	2/10/2017 2:09 PM
10	property upgrades	2/9/2017 8:47 AM
11	The people at town hall are WAY to helpful	2/8/2017 4:44 PM
12	starting to get a sprawl feel to Purcellville which makes it harder for folks to get a sense of a Town feel	2/8/2017 12:42 PM

13	In its marketing, the town focuses on growing tourism and the reputation of the town to get visitors here to spend money. The storyline is always the same. We are a great town – come spend your money here at our interesting businesses. It feels like the town only thinks about business as a store front that can draw tourists - the town invests resources in doing events to bring tourists to town. Even if those events work – they are often one hit wonders – people are here a day and then gone. Purcellville is competing with every other small town for tourists. And tourists are fickle. I write a monthly column on day trips for a DC/VA/MD publication and there are hundreds of options for day trippers leaving DC. The town needs to focus its limited resources on yes, generating some foot traffic for the store front businesses and pointing out the things that are unique and will get people here, but it also should encourage non-store front businesses. We need to think about economic development as growing jobs and growing small businesses in our community. Independent firms, startups and consultants are the wave of the future. The town does nothing from what I can tell to encourage solo entrepreneurship or startups, other than to ask us once a year if we want to be on the home based business directory. Why not sponsor forums on how to grow innovative home-based businesses, encourage startups, or re-structure marketing for the town so it's not just storefronts that get profiled but a variety of businesses.	2/7/2017 11:56 AM
14	Meals tax. Retail and restaurant sprawl. No centralized business district(s).	2/7/2017 9:36 AM
15	business tax is a bit high	2/4/2017 6:47 PM
16	tax rate	1/31/2017 3:03 PM
17	Not large enough business sign	1/30/2017 6:18 PM
18	Expense of commercial space at gateway shopping center	1/30/2017 1:01 PM
19	they should be a little bit more open minded like other modern areas like Vienna, Ashburn, etc, although it's getting better	1/28/2017 1:06 PM
20	BUSY-BODY OWNER OF THE RELOVE IT STORE	1/26/2017 1:12 PM
21	lack of a business friendly environment	1/26/2017 12:11 PM
22	Water bill.	1/21/2017 11:20 AM
23	cost of water and sewer	1/20/2017 2:42 PM
24	N/A	1/13/2017 12:55 PM
25	N/A	1/13/2017 12:35 PM
26	TC and Staff are not sure of what they want and how they can attract business that can afford to do the things the BAR and different government groups require of them.	1/13/2017 10:12 AM
27	Traffic	1/12/2017 8:55 PM
28	Over regulation	1/12/2017 3:21 PM
29	Reduce the Swere Water Tap fees for new homes	1/12/2017 2:16 PM
30	As a home based business, I am not allowed to pay for a permit to post temporary signs around town.	1/12/2017 11:58 AM
31	I love access, friendliness, responsiveness	1/11/2017 6:25 PM
32	Moving in of franchises	1/11/2017 5:25 PM
33	Limited walkability - need a greater variety of shops, outdoor seating, cafes, etc. to make walking around more attractive to customers	1/11/2017 3:24 PM
34	close mindess of Town Coucil	1/11/2017 12:31 PM
35	enforcement of 2 hour parking on 21st Street!!!!	1/11/2017 11:50 AM
36	Growth in our industry has cut town on tourist traffic on the weekends. Traffic used to come in from Arlington/DC on the weekends, but now they no longer do so due to the same businesses in Arlington and Fairfax counties.	1/11/2017 11:43 AM

Q13 Overall, how satisfied are you with the quality of services that the Town of Purcellville provides?

Answered: 62 Skipped: 3



	Very Unsatisfied	Somewhat Unsatisfied	Neutral	Somewhat Satisfied	Very Satisfied	Total	Weighted Average
★	3.23% 2	4.84% 3	20.97% 13	37.10% 23	33.87% 21	62	3.94

Q14 Thinking back over the last 3 months, how often did you utilize the Purcellville website?

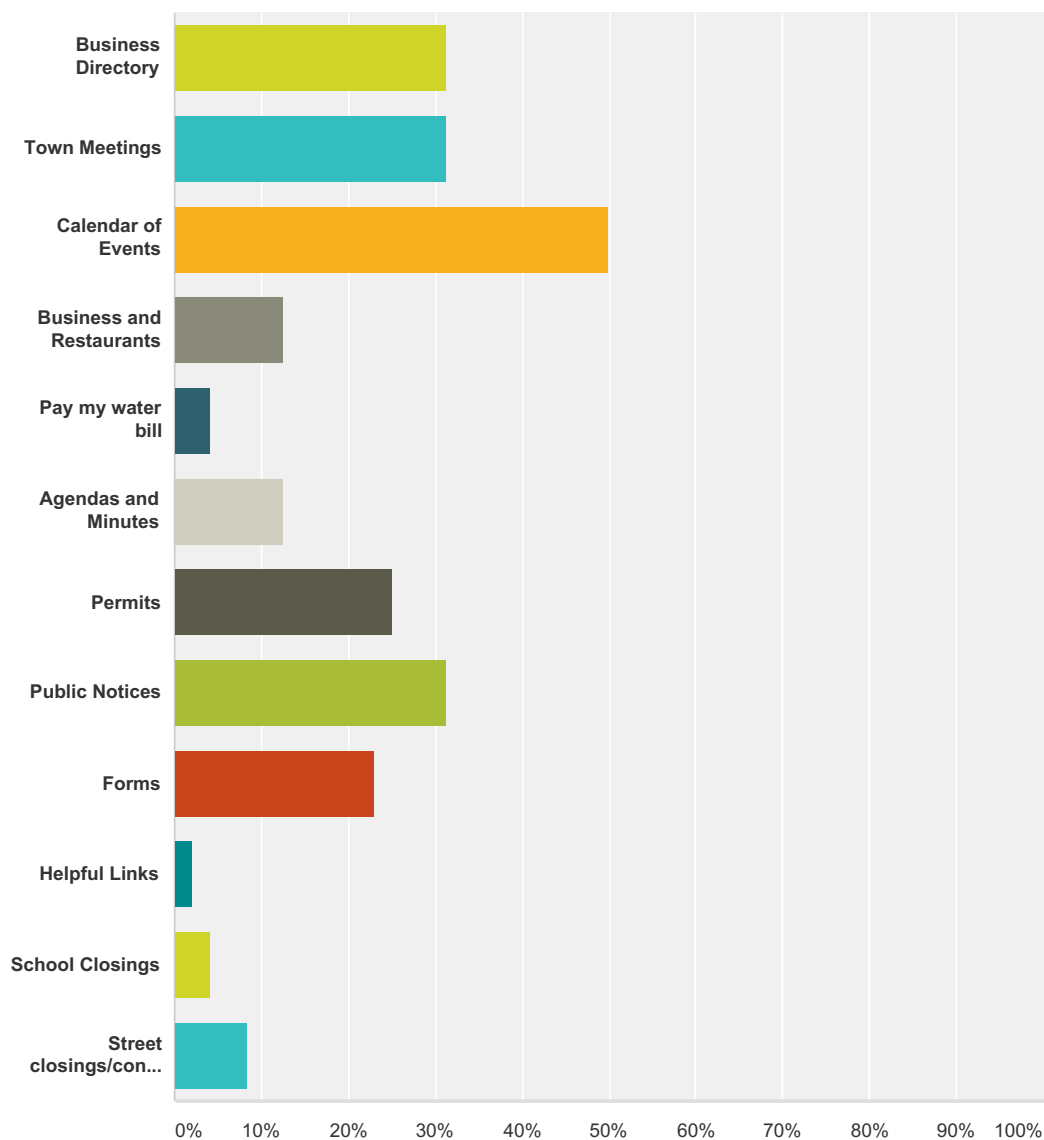
Answered: 63 Skipped: 2



	Rarely	Monthly	Weekly	Daily	Total	Weighted Average
★	79.37% 50	12.70% 8	7.94% 5	0.00% 0	63	1.29

Q15 Which sections of the website do you visit the most? (Top 3)

Answered: 48 Skipped: 17

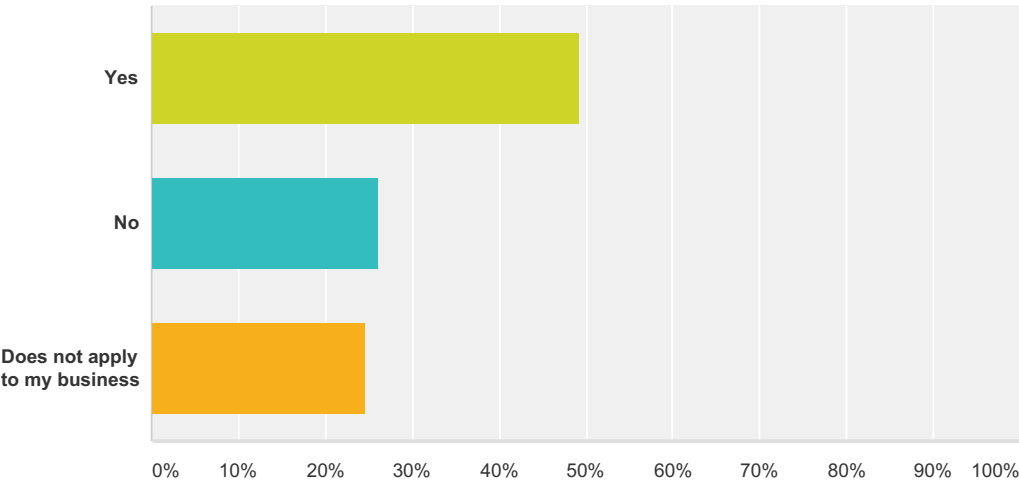


Answer Choices	Responses
Business Directory	31.25% 15
Town Meetings	31.25% 15
Calendar of Events	50.00% 24
Business and Restaurants	12.50% 6
Pay my water bill	4.17% 2
Agendas and Minutes	12.50% 6
Permits	25.00% 12

Public Notices	31.25%	15
Forms	22.92%	11
Helpful Links	2.08%	1
School Closings	4.17%	2
Street closings/construction issues	8.33%	4
Total Respondents: 48		

Q16 Recognizing that many towns in Virginia are imposing a meals tax on guests, do you feel this additional charge prevents people from eating at a Purcellville restaurant?

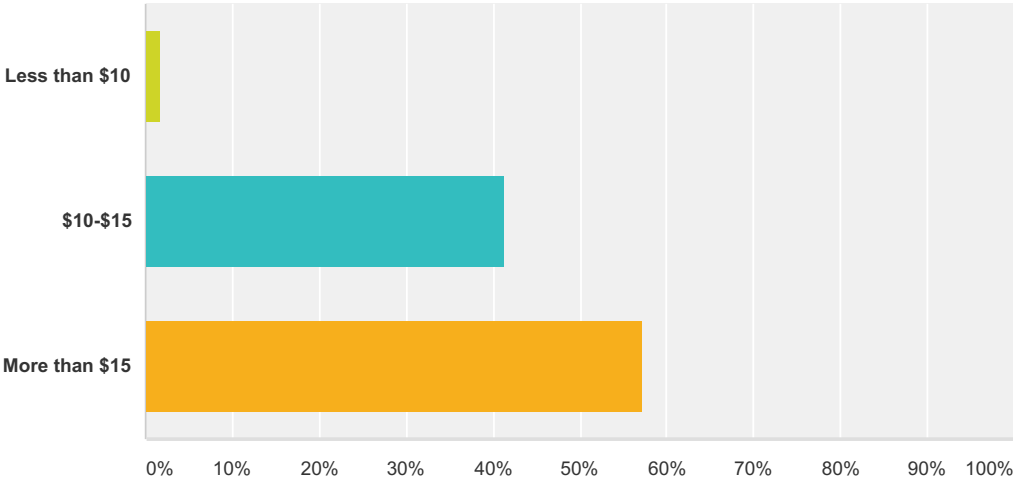
Answered: 65 Skipped: 0



Answer Choices	Responses	
Yes	49.23%	32
No	26.15%	17
Does not apply to my business	24.62%	16
Total		65

Q17 As a business owner with a family who also eats out at Purcellville restaurants, what is the average amount per person that you normally spend for dinner?

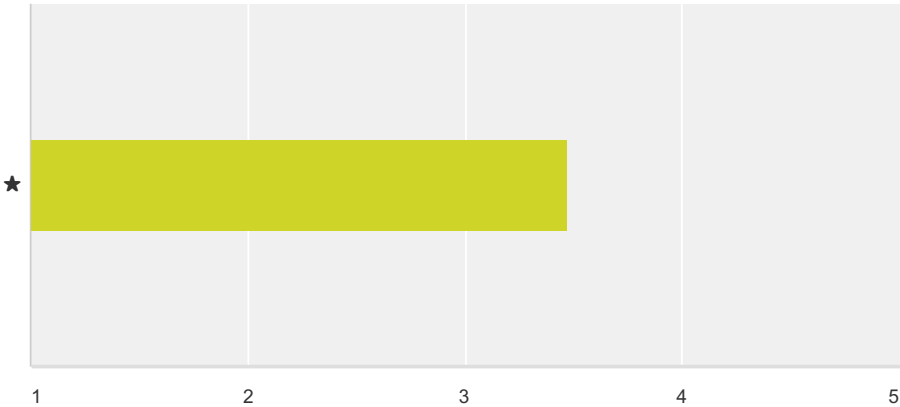
Answered: 63 Skipped: 2



Answer Choices	Responses	
Less than \$10	1.59%	1
\$10-\$15	41.27%	26
More than \$15	57.14%	36
Total		63

Q18 How likely would you be to recommend Purcellville to a friend looking to open up a new business?

Answered: 62 Skipped: 3



	Unlikely	Somewhat Unlikely	Neutral	Somewhat Likely	Likely	Total	Weighted Average
★	12.90% 8	8.06% 5	22.58% 14	32.26% 20	24.19% 15	62	3.47

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STAFF REPORT
DISCUSSION ITEM

Item # 12.b

SUBJECT: **SUPPLEMENTAL INFORMATION:** Request for Proposals (RFP)
for Management of Fireman's Field Complex

DATE OF MEETING: July 11, 2017

STAFF CONTACTS: Daniel C. Davis, Assistant Town Manager
Kathy Elgin, Procurement Specialist

After publication of the Staff Report on July 6th, staff received additional information to provide to the Town Council.

DEBT RESTRUCTURING OPTIONS:

The Town's Financial Advisor, Davenport, provided an analysis of potential refunding/restructuring of the debt associated with the Fireman's Field Complex to taxable debt to provide maximum flexibility in moving forward with the RFP process or other ways to generate revenue from the property.

In summary, the Town has the opportunity significantly reduce the near-term debt service payments on the Fireman's Field property through: use of cash to pay off the Build America Bond balloon payment, refinancing the remaining debt (except for the Fire Dept. 0% interest loan) to taxable debt, and spread out payments over 15 or 20 years.

As shown in the attached presentation, Cases 2A and 2B reduce current debt service down to approximately \$125,000 or \$155,000 annually, respectively. This reduction in debt service, combined with potential revenue from the RFP process and other potential revenue, can make a significant difference in the bottom line of the Special Parks and Recreation Fund.

ISSUES:

1. Use of Cash: The most cost effective means of restructuring the debt includes the use of approximately \$1.8 million in case to pay off the Build America Bond. Coupled with the Utility Debt restructuring (discussed separately), this would completely pay off

the Build America Bond and give more flexibility for generating revenue on the Fireman's Field Property and the Aberdeen Property (these two issues can be handled separately, but staff is noting the combined benefit of these two actions together).

Staff wants to ensure that Council concurs with using Unassigned Fund Balance in this manner. Currently, the General Fund and Special Parks and Recreation Fund have a combined Unassigned Fund Balance of approximately \$6.2 million.¹ The Town's Fiscal Policy requires a balance of \$3 million or 30% of General Fund (incl. Parks/Rec Fund) expenditures as Fund Balance. With General Fund and Parks/Rec Fund expenditures of approximately \$10.4 million in FY 2018, the required Fund Balance is \$3.1 million, which leaves another \$3.1 million that can be used for one-time purposes.

The use of \$1.8 million to pay off the BAB balloon payment is a qualifying use for Unassigned Fund Balance and would still leave the Town Council \$1.3 million that could be used for other one-time purposes (such as capital projects), although staff and the Town's Financial Advisor are not recommending the use of additional one-time funds at this time.

2. Direct Bank Loan vs. Public Sale: Based on the recent RFP that Davenport conducted for the Utility Fund debt restructuring, Davenport and staff agree that the lowest interest rate for Fireman's Field debt would come from a public sale. Since this debt will be sold as taxable, the public market is much more favorable than the private market at this time.

If Council agrees with proceeding with a public sale, and if Council moves forward with the Utility Debt restructuring as discussed in a separate item, the two projects would be combined together for the public sale.

3. Timeline: If Council concurs with the recommendation for the restructuring of the Fireman's Field debt via a public sale, staff requests guidance at this meeting so that this can be incorporated with the utility debt. Staff notes that restructuring the Fireman's Field debt is important, regardless of the final outcome of the RFP process or other potential revenue sources. This approach to the debt will provide maximum flexibility for future activities. In addition, restructuring the debt does not bind the Council to any one particular RFP proposal.

¹ Staff notes these are very preliminary figures based on FY 2017 end of year balances. The exact amount may change based on final closeout of FY 2017 but will not materially affect the ability to pay the BAB balloon payment.

BUDGET IMPACT:

In Case 2A (20-year taxable refunding with cash payoff of 2010 BAB Balloon Payment), the debt service for the Fireman's Field debt will be less than the current debt service for the next 10 years. This gives the Council additional flexibility to find alternative revenue sources as well. The attached presentation provides more detail and will be discussed at the meeting.

NEXT STEPS:

Subsequent to publication of the original staff report, Council Members expressed a desire for the option to move forward with the RFP process at this meeting. Staff has developed draft motions below.

If Council wishes to approve the RFP at this meeting, staff asks for any additional edits/revisions to the RFI document. Staff will then make those changes and move forward with the RFP without returning to Council for a final vote.

If Council wishes to review the final RFP document before it is released, then staff asks for any additional edits/revisions to the RFI document. Then, staff will create a final draft of the RFP and bring it back to the July 25th meeting for approval by Council.

In either case, staff requests direction on moving forward with restructuring the Fireman's Field debt.

DRAFT MOTIONS:

1. I move that the Town Council direct staff to issue a Request for Proposals (RFP) for the Management of the Fireman's Field Complex, with the following revisions to the previously released RFI document: _____. I further authorize the Town Manager or his designee to draft the RFP and issue it based on these edits.

I further move that Town Council give direction to staff to proceed with a public sale for the restructuring of the Fireman's Field debt as a 20-year refunding with cash payoff of the 2010 BAB balloon payment.

OR

2. I move that the Town Council direct staff to draft a Request for Proposals (RFP) for the Management of the Fireman's Field Complex, with the following revisions to the previously released RFI document: _____. I further direct staff to return the draft RFP document to the July 25th Town Council meeting for final approval.

I further move that Town Council give direction to staff to proceed with a public sale for the restructuring of the Fireman's Field debt as a 20-year refunding with cash payoff of the 2010 BAB balloon payment.

ATTACHMENT:

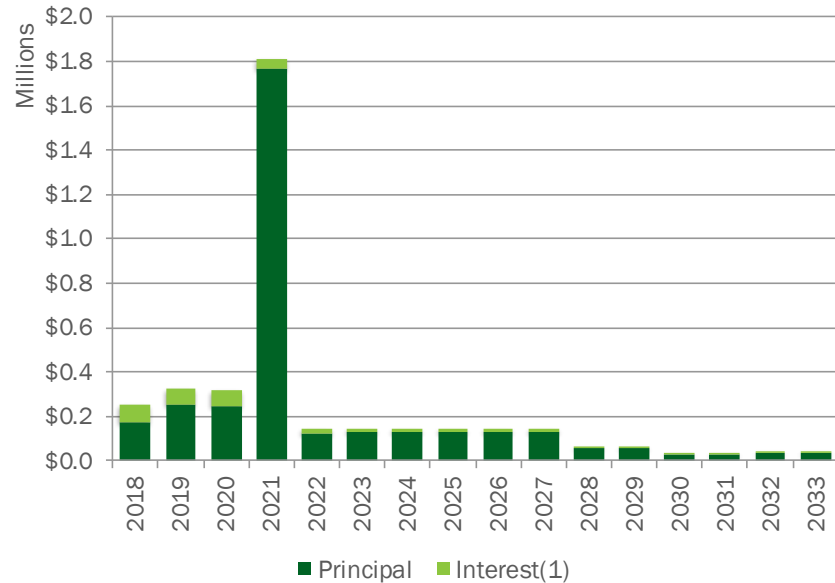
1. Presentation from Davenport: Parks and Recreation – Potential Refunding Results

Draft Working Papers for Discussion Purposes: Parks and Recreation – Potential Refunding Results

Town of Purcellville, Virginia



Existing Parks & Recreation Fund Debt Profile



Series	Interest Rate(s)	Principal Outstanding as of 6/30/17
2007 PVFD Note	0.00%	\$850,000
2010 Build America Bond ⁽¹⁾	4.23% (Gross) / 2.85% (Net)	1,945,000
2012 G.O. Public Improvement and Refunding Bond	2.75%	414,735
2013A G.O. Refunding Bonds	3.00 - 5.00%	245,000
Total Outstanding		\$3,454,735

Parks & Recreation Fund Debt Service			
Fiscal Year	Principal	Net Interest ⁽¹⁾	Total
Total	\$3,454,735	\$363,304	\$3,818,039
2018	176,129	77,998	254,127
2019	251,589	75,372	326,962
2020	248,502	70,257	318,758
2021	1,768,502	41,991	1,810,493
2022	123,962	17,133	141,096
2023	129,884	15,712	145,596
2024	130,345	14,021	144,366
2025	131,267	12,311	143,578
2026	131,727	10,583	142,310
2027	132,188	8,841	141,030
2028	53,110	7,081	60,191
2029	53,571	5,052	58,622
2030	29,492	3,003	32,496
2031	30,414	2,180	32,594
2032	31,796	1,324	33,121
2033	32,257	444	32,701

The cases detailed herein assume all outstanding debt in the Parks and Recreation Fund will be refunded with taxable debt at current market rates except the 2007 PVFD Note and any debt service payments that occur on/prior to August 1, 2017⁽²⁾.

(1) Principal outstanding on the 2010 BAB includes a \$1,645,000 balloon maturity due on July 15, 2020. Net Interest incorporates the 2010 BAB interest subsidy subject to the FY 2017 sequestration rate of 6.9%, i.e. assumes the Town receives 93.1% of original subsidy amount.

(2) Analysis assumes estimated closing date for the refunding/payoff transaction of August 30, 2017.

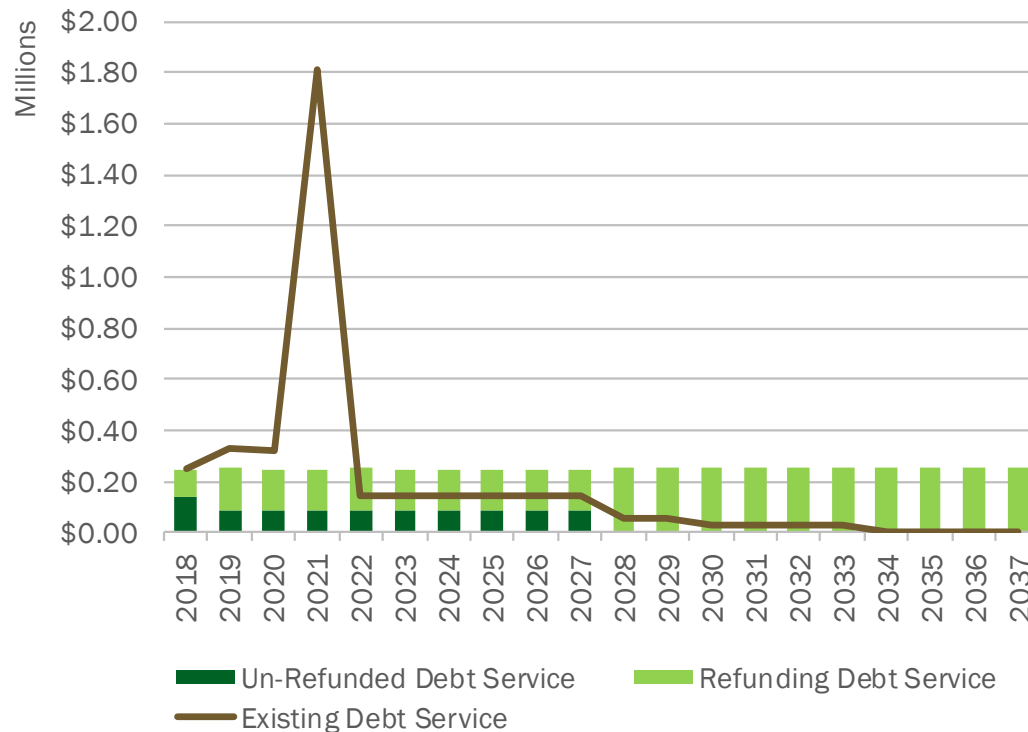
Case 1A

20-Year Taxable Refunding with Term Out of 2010 BAB



- True Interest Cost = 3.66%
- Average Coupon of Refunded Bonds = 3.13%
- Cash Payoff of 2010 BAB = N/A
- Average Resulting Annual Debt Service = \$255,000.

Note: Includes debt service on the 2007 PVFD Note.



	A	B	C	A-B+C=D
	Existing Debt Service	Un-Refunded Debt Service	Refunding Debt Service	Resulting Debt Service
FY				
Total	\$3,818,039	\$905,238	\$4,124,978	\$5,030,217
2018	254,127	140,239	101,654	241,893
2019	326,962	85,000	172,509	257,509
2020	318,758	85,000	160,259	245,259
2021	1,810,493	85,000	163,227	248,227
2022	141,096	85,000	166,040	251,040
2023	145,596	85,000	163,696	248,696
2024	144,366	85,000	161,352	246,352
2025	143,578	85,000	159,009	244,009
2026	142,310	85,000	161,571	246,571
2027	141,030	85,000	158,971	243,971
2028	60,191	-	256,371	256,371
2029	58,622	-	255,341	255,341
2030	32,496	-	253,959	253,959
2031	32,594	-	257,309	257,309
2032	33,121	-	255,309	255,309
2033	32,701	-	252,929	252,929
2034	-	-	255,369	255,369
2035	-	-	257,119	257,119
2036	-	-	258,494	258,494
2037	-	-	254,494	254,494

Estimated results shown above are preliminary, subject to change. Based on estimated market rates for a taxable competitive public sale as of July 5, 2017 plus 25 basis points for purposes of planning estimates. Actual results may vary substantially from these estimates.

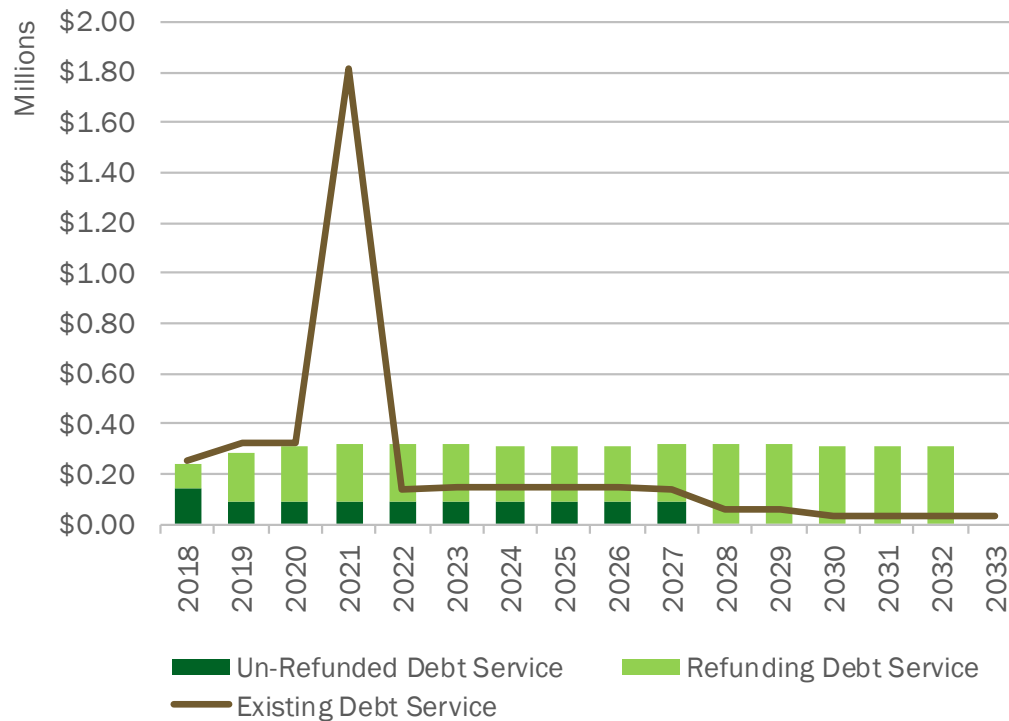
Case 1B

15-Year Taxable Refunding with Term Out of 2010 BAB



- True Interest Cost = 3.40%
- Average Coupon of Refunded Bonds = 3.13%
- Cash Payoff of 2010 BAB = N/A
- Average Resulting Annual Debt Service = \$315,000.

Note: Includes debt service on the 2007 PVFD Note.



	A	B	C	A-B+C=D
	Existing Debt Service	Un-Refunded Debt Service	Refunding Debt Service	Resulting Debt Service
FY				
Total	\$3,818,039	\$905,238	\$3,681,159	\$4,586,397
2018	254,127	140,239	99,258	239,497
2019	326,962	85,000	196,796	281,796
2020	318,758	85,000	228,646	313,646
2021	1,810,493	85,000	229,271	314,271
2022	141,096	85,000	229,740	314,740
2023	145,596	85,000	230,053	315,053
2024	144,366	85,000	225,209	310,209
2025	143,578	85,000	225,365	310,365
2026	142,310	85,000	225,165	310,165
2027	141,030	85,000	229,803	314,802
2028	60,191	-	314,115	314,115
2029	58,622	-	315,238	315,238
2030	32,496	-	310,750	310,750
2031	32,594	-	310,950	310,950
2032	33,121	-	310,800	310,800
2033	32,701	-	-	-

Estimated results shown above are preliminary, subject to change. Based on estimated market rates for a taxable competitive public sale as of July 5, 2017 plus 25 basis points for purposes of planning estimates. Actual results may vary substantially from these estimates.

Case 2A

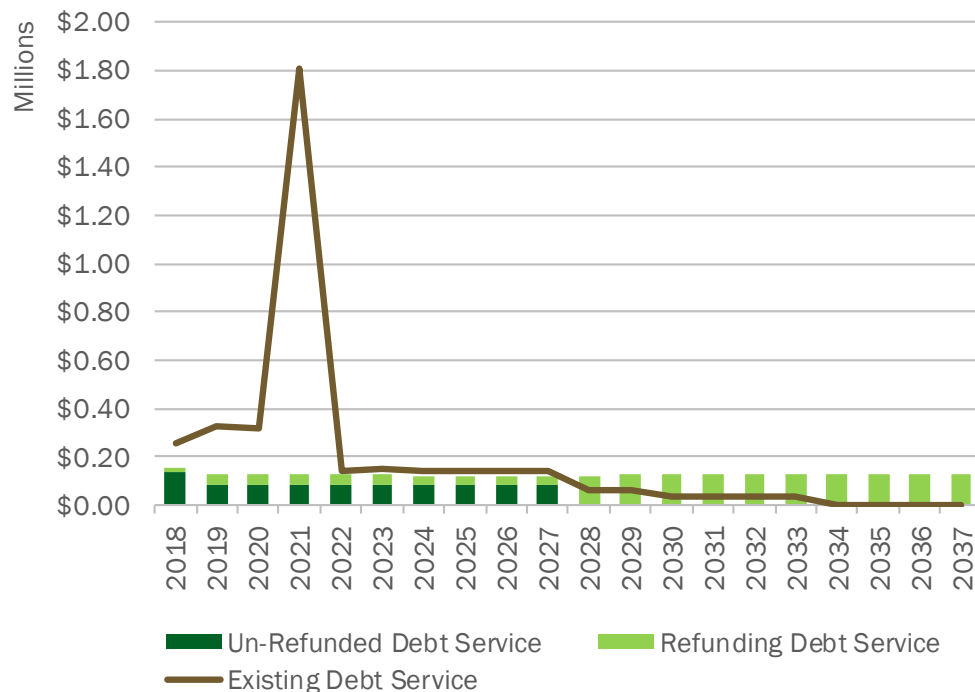
20-Year Taxable Refunding & Cash Payoff of 2010 BAB Balloon Payment



- True Interest Cost = 3.75%
- Average Coupon of Refunded Bonds = 3.13%
- Cash Payoff of 2010 BAB Balloon Payment (FY 2021) = \$1.76 million.

Note: The Taxable Refunding would refund with taxable debt the 2010 BAB's FY 2018-2020 principal payments, in the amount of \$300,000.

- Average Annual Debt Service = \$125,000.



	A	B	C	A-B+C=D	E
	Existing Debt Service	Un-Refunded Debt Service	Refunding Debt Service	Resulting Debt Service	Cash Payoff of 2010 BAB
Total	\$3,818,039	\$905,238	\$1,631,485	\$2,536,723	\$1,756,073
2018	254,127	140,239	16,005	156,243	1,756,073
2019	326,962	85,000	43,158	128,157	-
2020	318,758	85,000	43,008	128,008	-
2021	1,810,493	85,000	42,851	127,851	-
2022	141,096	85,000	42,695	127,695	-
2023	145,596	85,000	42,539	127,539	-
2024	144,366	85,000	37,383	122,382	-
2025	143,578	85,000	37,383	122,382	-
2026	142,310	85,000	37,383	122,383	-
2027	141,030	85,000	37,383	122,382	-
2028	60,191	-	122,383	122,383	-
2029	58,622	-	124,535	124,535	-
2030	32,496	-	126,430	126,430	-
2031	32,594	-	123,105	123,105	-
2032	33,121	-	124,780	124,780	-
2033	32,701	-	126,180	126,180	-
2034	-	-	127,400	127,400	-
2035	-	-	128,275	128,275	-
2036	-	-	123,963	123,963	-
2037	-	-	124,650	124,650	-

Estimated results shown above are preliminary, subject to change. Based on estimated market rates for a taxable competitive public sale as of July 5, 2017 plus 25 basis points for purposes of planning estimates. Actual results may vary substantially from these estimates.

Case 2B

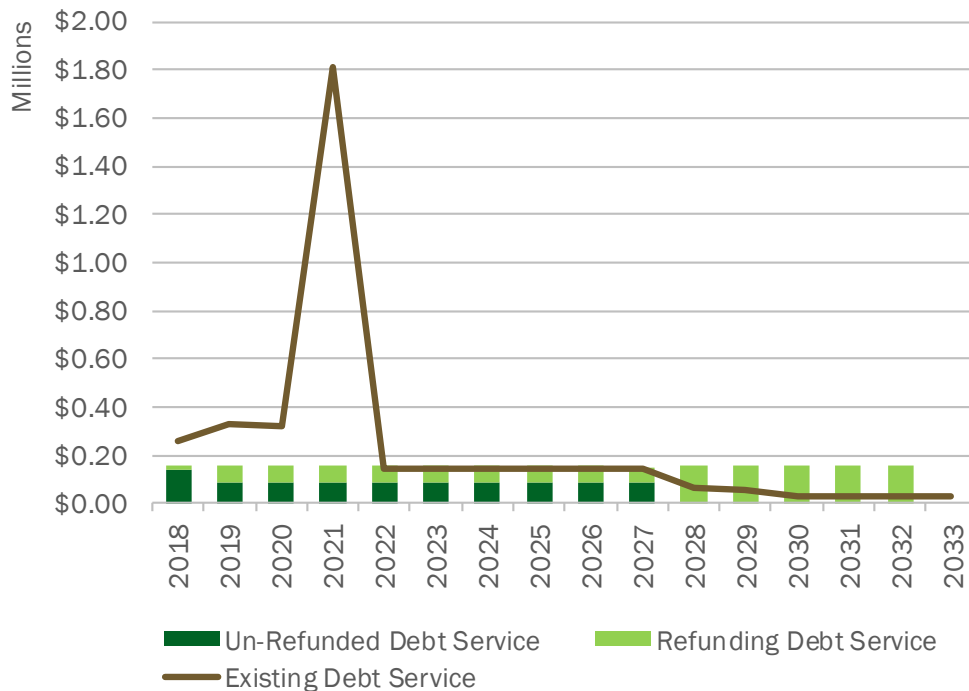
15-Year Taxable Refunding & Cash Payoff of 2010 BAB Balloon Payment



- True Interest Cost = 3.47%
- Average Coupon of Refunded Bonds = 3.13%
- Cash Payoff of 2010 BAB Balloon Payment (FY 2021) = \$1.76 million.

Note: The Taxable Refunding would redeem the 2010 BAB's FY 2018-2020 principal payments, in the amount of \$300,000.

- Average Annual Debt Service = \$155,000.



	A	B	C	A-B+C=D	E
FY	Existing Debt Service	Un-Refunded Debt Service	Refunding Debt Service	Resulting Debt Service	Cash Payoff of 2010 BAB
Total	\$3,818,039	\$905,238	\$1,417,790	\$2,323,029	\$1,756,073
2018	254,127	140,239	14,864	155,103	1,756,073
2019	326,962	85,000	70,438	155,437	-
2020	318,758	85,000	69,388	154,388	-
2021	1,810,493	85,000	68,294	153,294	-
2022	141,096	85,000	72,200	157,200	-
2023	145,596	85,000	70,950	155,950	-
2024	144,366	85,000	69,700	154,700	-
2025	143,578	85,000	68,450	153,450	-
2026	142,310	85,000	72,150	157,150	-
2027	141,030	85,000	65,688	150,687	-
2028	60,191	-	154,388	154,388	-
2029	58,622	-	155,033	155,033	-
2030	32,496	-	155,375	155,375	-
2031	32,594	-	155,475	155,475	-
2032	33,121	-	155,400	155,400	-
2033	32,701	-	-	-	-

Estimated results shown above are preliminary, subject to change. Based on estimated market rates for a taxable competitive public sale as of July 5, 2017 plus 25 basis points for purposes of planning estimates. Actual results may vary substantially from these estimates.

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STAFF REPORT

ACTION ITEM

Item # 13.a

SUBJECT: Strategic Options for Debt Realignment

DATE OF MEETING: July 11, 2017

STAFF CONTACTS: Daniel C. Davis, Assistant Town Manager
Elizabeth Krens, Director of Finance

SUMMARY and RECOMMENDATIONS:

At the May 23, 2017 Town Council Meeting, the Town Council directed staff to work with Davenport (the Town's Financial Advisor) to issue an RFP for realigning the Town's utility debt. Davenport has received responses and has prepared information to discuss with Council (see Attachment 1). Staff recommends moving forward with the recommendations of Davenport to take the next steps for the debt restructuring.

BACKGROUND:

As part of the FY 2018 budget deliberations, the Town Council asked staff to find ways to limit future water/sewer rate increases, to include proactively addressing significant increases in future debt service payments. Over the course of multiple budget work sessions, staff and consultants developed numerous scenarios and options for what the Town's future utility fund profile would be, including anticipated revenues, expenditures, debt, and customer rates. One final scenario (referred to as Scenario 9A – see Attachment 2) became the basis of the Council's discussions and decisions in the FY 2018 budget.

There are four key components to Scenario 9A:

1. Chargeback: Phase out the chargeback (total of \$1.2 million) over a four-year period of time. For FY 2018, the Council reduced the chargeback by nearly \$325,000, which leaves the remaining amount of the chargeback at nearly \$879,000. An integral part of Scenario 9A is that the Council will consider continued reductions of the chargeback over the coming years, at approximately \$300,000 per year.
2. Diversion of Meals Tax Revenue: Scenario 9A anticipated diverting 1% of the 5% Meals Tax (1% is valued at approximately \$379,000 per year) over a 3 year period,

which results in approximately \$126,000 per year for those 3 years. While not incorporated in the FY 2018 budget, it should be a consideration for the FY 2019 budget unless other assumptions change.

3. “Green Box” Revenues: Through creative working of Council, staff, advisory members, and the public, the Town will continue exploring and implementing additional revenue streams for the utility funds. This will reduce future pressure on utility rates.
4. Strategic Debt Realignment: As assumptions of the future growth patterns of Purcellville have changed, it is necessary to also strategically realign the Town’s debt profile based on those assumptions. Whereas growth had previously been anticipated to offset future debt service demands, the Town Council has expressed a desire to restructure the debt so that the Town can pay it down without relying on new growth.

The Strategic Debt Realignment is key to the utility rates desired by Council and is the focus of the rest of this item.

SUMMARY OF STRATEGIC DEBT REALIGNMENT:

In reviewing the Town’s Utility Debt profile, Davenport identified three separate series of utility debt to be restructured. These are described as Series 2017A, 2017B, and 2017C. In developing these specific debt issuances, Davenport and bond counsel (Hunton & Williams) reviewed what debt could remain tax-exempt and what debt is required to be taxable. The Town’s consultants believe that Series 2017A can remain tax-exempt and would still give the Town maximum flexibility in finding creative revenue sources, because this restructuring would use cash to pay off the Build America Bond (BAB) loan on the Aberdeen property. With this restructuring, the Town could pursue additional means to generate revenue on its utility fund properties.

1. Series 2017A: This debt is approximately \$5 million and is proposed to be tax-exempt. Davenport recommends a private bank loan for this amount, and more information is provided in the attachment. Davenport reached out to the top two proposals (Middleburg Bank and Sterling National Bank) for best and final offers. At this time, Sterling National Bank is the recommended bank due to the low, fixed interest rate and favorable terms. Middleburg Bank’s proposal includes a lower interest rate for an initial period, but the rate resets after 15 years to a rate tied to other factors. In addition, their rate can increase if Congress lowers to corporate tax rate. Based on these factors outside the Town’s control, staff and Davenport recommend the Sterling National Bank proposal which is a fixed rate and provides more certainty for the entire period of the loan.

2. Series 2017B and 2017C: Due to IRS laws, this debt (approximately \$15.9 million) is required to be taxable. Based on the bank proposals received for this proposed debt, Davenport recommends that the Town go to a public sale to achieve the lowest interest rate and most favorable terms.

At this time, the interest rates received through the RFP for Series 2017A and the current estimated interest rates for Series 2017B and 2017C are more favorable than the assumptions built into Scenario 9A. As such, if the Town were to move forward with this plan and achieve the expected interest rates, the Town would see a slight savings over the debt service that was projected in Scenario 9A.

3. Timeline: In terms of process, the expected timeline is as follows:
 - a. July 11th – Council endorse direct bank loan for Series 2017A and Public Sale for Series 2017B and 2017C
 - b. July 25th – Council approval of final direct bank loan for Series 2017A
 - c. Early August – Meetings with National Credit Rating Agencies
 - d. Late August – Receive updated Credit Rating
 - e. September – Sell taxable refinancing bonds in public market and close later in the month

Davenport will be present at the July 11th meeting to discuss their recommendations with Town Council and talk about next steps.

BUDGET IMPACT:

The FY 2018 budget and utility rates are predicated on a number of assumptions, as described in Scenario 9A. Moving forward with the strategic debt realignment is a key part of Scenario 9A and for the long-term sustainability of the Town's utility debt. Moving forward will ensure long-term stability of rates and lessen the impact of a pending increase in debt service payments.

DRAFT MOTIONS:

1. I move that the Town Council endorse the recommendations of Davenport to move forward with a direct bank loan with Sterling National Bank for Series 2017A and return to the July 25th Town Council Meeting to approve the final loan. I further move that Town Council direct staff and Davenport to move forward in the process for a Public Sale for Series 2017B and 2017C, to include obtaining an updated credit rating.

OR

2. I move an alternate motion.

ATTACHMENTS:

1. Davenport Presentation – Strategic Debt Realignment
2. Scenario 9A Summary Slide

Strategic Enterprise Fund Plan of Finance Update / Results of Competitive RFP Process

Town of Purcellville, Virginia



- The Town of Purcellville (the “Town”) has challenges in the Water & Sewer Utility Enterprise Funds, including the upcoming 2010 Build America Bond (the “2010 BAB”) Balloon payment due in FY 2021 of approximately \$1.44 million and existing debt service that increases by roughly \$2 million over the next 5 years.
- Davenport & Company, LLC, (“Davenport”) in our role as Financial Advisor, has worked with Town Staff to develop a potential Plan of Finance to structure the Town’s Existing Water and Sewer Debt and strategically utilize existing cash, over and above the Town’s policy (the “Strategic Realignment”), to responsibly insulate the Town’s rate payers from rate increases above what is necessary to operate the system in a financially responsible manner.
- At its May 23 meeting, Town Council approved Davenport to pursue a Dual Track Approach for the Strategic Realignment with the explicit goal of pursuing a Strategic Debt Realignment to free cash-flow and lessen the burden of debt service on the Town’s rate payers.
- The Dual Track Approach included soliciting financing options from local, regional, and national commercial banking institutions through a competitive Request for Proposals (“RFP”) and, if necessary, proceed with a Public Sale.
- As shown herein, the current estimated results are better than estimated results presented to Town Council on May 23, 2017.

Water and Sewer Fund Considerations



1. The Town's Enterprise Fund has approximately \$41 million of debt outstanding. All Enterprise Fund debt is fixed rate, but payments increase roughly \$2 million in the next 5 years. The Town also has a \$1.44 million balloon payment due in FY 2021 from the 2010 BAB.
2. Over the next 5 years, the Town is expected to have an additional \$10 million of capital needs solely to maintain the system in proper working order. These costs are factored into the Plan of Finance.
3. Growth projections based on assumptions of availability connections only include Mayfair (ending in FY 2020), approved developments, and in-Town proposals.
4. A Strategic Debt Realignment allows the Town to minimize the impact on the Town's Water & Sewer User Rates over the next decade.

Note: The assumptions for the Strategic Realignment are part 1 of a 3 part Utility planning scenario, labeled Scenario 9A as presented at the March 30, 2017 Budget meeting. Please see Staff Notes for further detail.

Water and Sewer Fund Considerations (cont.)



5. The average interest rate(s) on the Town's debt to be realigned is roughly 4.55%. The estimated new interest rate on the Strategic Debt Realignment is expected to be under 4%.

6. The Town is projected to have in the range of \$8 million in Utility Fund Cash & Equivalents at the end of FY 2017. In addition, another \$4 million of Mayfair-related and other proposed Availability Fees are projected for FY 2018. The strong year-end FY 2017 reserves coupled with the contractually obligated Availability Fee revenue provide an opportunity for the Town to use cash that is over and above the Town's policy level to pay-down existing debt as part of the Strategic Debt Realignment. A total of roughly \$3.45 million of cash used to pay-down debt is incorporated as part of the Strategic Debt Realignment.

7. The use of Fund Balance to defease (i.e. pay off) the Water portion of the Town's 2010 BAB is contemplated as part of the Strategic Debt Realignment. Doing so removes the Tax-Exempt restrictions currently in place and provides the Town greater flexibility to incorporate private use of the Aberdeen property.

(1) Estimated results are preliminary, subject to change. Based on Responses to the RFP and estimated market rates as of June 26, 2017. Actual results may vary substantially from these estimates.

Note: The assumptions for the Strategic Realignment are part 1 of a 3 part Utility planning scenario, labeled Scenario 9A as presented at the March 30, 2017 budget meeting. Please see Staff Notes for further detail.

The Request for Proposals Process



- In early June, Davenport distributed the RFP to local, regional, and national lending institutions.

- The RFP requested proposals for the Strategic Realignment through multiple funding options:
 - **2017A Bond:** Up to \$5,000,000 to Refinance certain Utility Fund portions of the Town’s 2013A General Obligation Bonds on either a Tax-Exempt or Taxable Basis.

 - **2017B and 2017C Bond:** Up to \$15,850,000 to Refinance certain Utility Fund portions of the Town’s 2013A, 2013B, and 2008 DEQ General Obligation Bonds on a Taxable Basis.
Note: These loans are required by the Tax Code to be Refinanced on a Taxable basis regardless of whether private use is contemplated for the projects they financed.

- Davenport received proposals from six different lending institutions on Friday, June 23.
Note: This level of interest from financial institutions speaks well of how the lending community views Purcellville.

- The following pages summarize the proposals received for the 2017A, 2017B, and 2017C Bonds.

Results of the Request for Proposals (RFP) Process

2017A Bond – Tax-Exempt Refinancing of 2013A GO Bonds



- The Town received proposals for the 2017A Bond on a **Tax-Exempt** Basis from six different lenders:
 - Sterling National Bank (“Sterling”);
 - Texas Capital Bank (“Texas Capital”);
 - Middleburg Bank (“Middleburg”);
 - Pinnacle Public Finance (“Pinnacle”);
 - SunTrust Bank (“SunTrust”);
 - Capital One Public Finance (“Capital One”).
- Sterling Bank and Middleburg Bank provided the best Direct Bank Placement options for the Tax-Exempt 2017A Bond. A comparison of these options versus an estimated Tax-Exempt Public Sale is shown below. A summary of all proposals received is included in the appendix.

2017A Tax-Exempt Bank Qualified Bond(s)				
Bidder	Middleburg		Sterling	Estimated Public Sale*
Interest Rate	2.70%	2.85%	3.22%	2.96%
Years Fixed	10 Years	15 Years	20 Years	20 Years
Rate Reset	5 Year Treasury + 2.25%		N/A	N/A
Prepayment	Prepayable in whole or in part with a 3% premium in years 1-2, 2% premium in years 3-5, 1% premium in years 6-14 and without penalty thereafter.		Non-Callable in years 1-5, prepayable in whole with a 2% premium in years 6-10 years, a 1% premium in years 11-15, and without penalty thereafter.	Bonds maturing after years 11 to 20 callable beginning in year 10 at par.

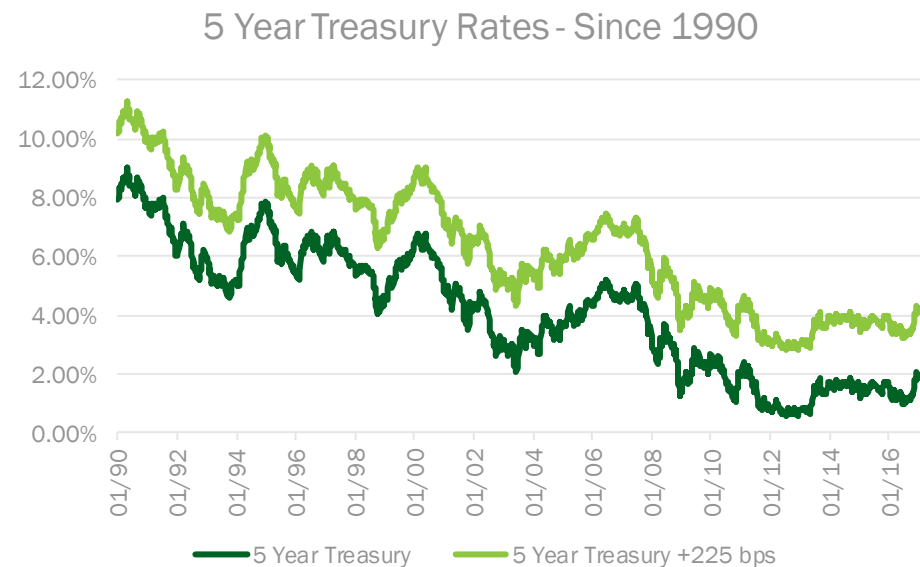
*Based on market interest rates as of June 26, 2017. Actual results may vary substantially from these estimates.

Historic 5-Year Treasury Rates

Since 1990



- If the Town were to choose Middleburg Bank for the 2017A Bond, the rate to which the loan would reset at year 15 is equal to the 5-Year Treasury plus 2.25%.
- The current rate reset as of June 28, 2017 would be 4.08% (1.83% 5-Year treasury plus 2.25%).



5 Year Treasury Rates		
	Value	Date
Minimum Value	0.58%	7/26/2012
Maximum Value	9.02%	4/26/1990
Average Value	4.11%	
Average + 225 Basis Points	6.36%	

Note: Treasury Rates shown as of June 28, 2017.

Middleburg vs. Sterling Bank



- Sterling's bid provides a fixed interest rate for the full 20 year term of the loan (3.22%).
 - Sterling has not indicated the need for a “gross up” provision in the event of a change in the corporate tax rate.
- Middleburg's bid provides rates that are fixed for 10 or 15 year time periods.
 - Davenport does not recommend the 10 year rate option due to the amount of principal that would remain outstanding at the end of year 10 (roughly \$3.375 million) and the remaining time to final maturity (10 years).
 - The Middleburg 15 year rate option (2.85%) would allow the Town to achieve a lower rate than the Sterling bid for the first 15 years of the loan, but would leave \$2.5 million of principal subject to an interest rate reset for the last 5 years of the loan.
 - The “breakeven rate” between the Sterling 20 Year bid and the Middleburg 15 Year bid is approximately 5.00% for the final 5 year term (i.e. the interest rate that would produce the same amount of total debt service for the a 20 year Sterling option versus a 15 years Middleburg Bank loan with a rate reset).
 - An important caveat for the Middleburg bid is that the bank requires a “gross up” provision that would increase the interest rate on the loan in the event that the federal corporate tax rate is reduced anytime during the 15 year fixed rate term of the loan. The maximum gross up rate for the 15 Year, Bank Qualified bid is 3.51%. There is no way to predict if/when this could occur.

Note: Treasury Rates shown as of June 28, 2017.

Results of the Request for Proposals (RFP) Process

2017B & C Bonds – Taxable Refinancings



- The 2017B Bond requested in the RFP is a Taxable Refinancing of the remaining 2013A General Obligation Bonds. The 2017C Bond requested in the RFP is a Taxable Refinancing of the 2008 DEQ Loan, and the 2013B General Obligation Bonds.
- The Town received proposals for the 2017B & 2017C Bonds from three different lenders:
 - Sterling;
 - Middleburg; and,
 - Capital One.

2017B & C Taxable Bonds					
Bidder	Middleburg		Sterling	Capital One*	Public Sale**
True Interest Cost	4.08%	4.33%	4.95%	5.70%	3.42%
Years Fixed	10 Years	15 Years	20 Years	20 Years	20 Years
Rate Reset	5 Year Treasury + 2.25%		N/A	N/A	N/A
Prepayment	Prepayable in whole or in part with a 3% premium in years 1-2, 2% premium in years 3-5, 1% premium in years 6-14 and without penalty thereafter.		Non-Callable in years 1-5, prepayable in whole with a 2% premium in years 6-10 years, a 1% premium in years 11-15, and without penalty thereafter.	Prepayable in whole on any interest payment date beginning February 1, 2027.	Bonds maturing after years 11 to 20 callable beginning in year 10 at par.

*Note: Capital One submitted a bid for the 2017B Bond only.

** Based on market interest rates as of June 26, 2017. Actual results may vary substantially from these estimates.

■ Tax-Exempt 2017A (roughly \$4 million)

- Middleburg and Sterling provided the best direct bank placement bids for the Tax-Exempt eligible portion of the Strategic Realignment.
- Middleburg and Sterling interest rates can be set through a time period required to obtain Town Council approval (i.e. the end of July).
- Sterling provides greater certainty as to the interest rate through the full term of the loan, albeit at a higher initial interest rate.
- Both Sterling and Middleburg provide greater certainty as to the interest rate today than a public sale whereby the interest rates will not be set until the day of the sale (i.e. late August).
- **Recommendation:** Move forward with a Direct Bank Loan.

■ Taxable 2017B and 2017C (roughly \$15.85 million)

- All of the Taxable bids received from banking institutions with a fixed interest rate longer than 10 years are in the range of 100 to 200 basis points (i.e. 1% to 2%) higher than an estimated Taxable public sale.
- Although the interest rate on a public sale will not be set until the day of the sale, there are substantial savings to pursuing a public sale in the current market.
- **Recommendation:** Move forward with a Public Sale.

- Based on current market interest rates, the options presented herein produce a better preliminary estimated result than was presented to Town Council on May 23.

Next Steps

- Davenport recommends that the Town continue to pursue the Dual Track Approach to successfully complete the Strategic Realignment (i.e. pursue the 2017A Tax-Exempt Refinancing through a Direct Bank Loan, and continue pursuing the Taxable Refinancings through a Public Sale).

The Schedule Below Outlines the Dual Track Approach

- Tuesday, July 11

Regularly Scheduled Meeting of Town Council
Davenport presents results of the RFP Process to Town Council and recommends obtaining financing for the Tax-Exempt 2017A Refinancing Bond through a Direct Bank Loan.
- Mid July

Hunton & Williams prepares Authorizing Documents for the 2017A Bond for the July 25 Meeting of Town Council.
- Tuesday, July 25

Regularly Scheduled Meeting of Town Council
Town Council considers formal approval of the issuance of the 2017A Bond through a Direct Bank loan.

Next Steps, cont.



- Late July
Hunton & Williams works with Davenport and Town Staff to prepare legal/closing documentation for a Direct Bank Loan.

- By Friday, July 28
Close on the 2017A Tax-Exempt Refinancing Bond with through a Direct Bank Loan.

- Early August
Meetings with National Credit Rating Agencies.

- Late August
 - Receive ratings from National Credit Rating Agencies.
 - Develop Preliminary Official Statement in advance of a Public Sale.

- Early September
Sell Taxable Refinancing bonds in the public markets (interest rates set).

- Mid September
Close on Taxable Refinancing bonds sold via a Public Sale.

Preliminary Results of the Strategic Realignment

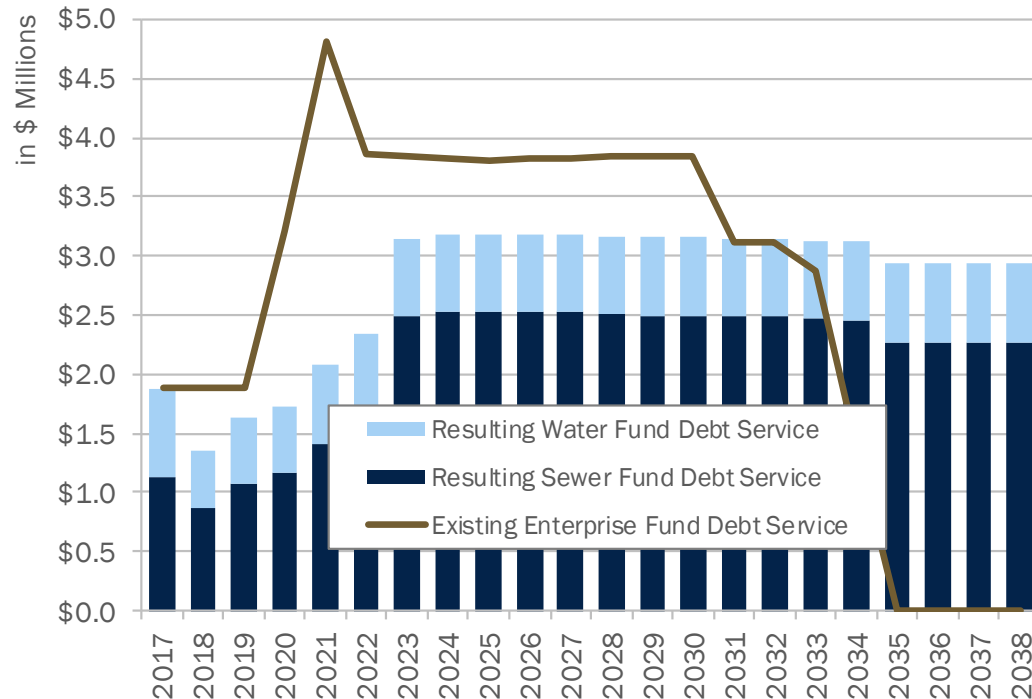
Middleburg 15-Year Tax-Exempt & Public Taxable Sale

Rate Reset at current 5-Year Treasury Rate Index (4.08%)



- Shown below are estimated results of 1.) issuing the 2017A Bond through a 15-Year Direct Bank Loan with Middleburg Bank; 2.) issuing the remaining Taxable Bonds through a Public Sale; and, 3.) Defeating the 2010 Build America Bond.
Note: Assumes the Town uses \$1.9 million of cash reserves to pay off the remaining 2010 BAB.⁽¹⁾

- Tax-Exempt TIC = 3.03%
- Taxable TIC = 3.42%
- Subject to Reset = \$2.52 Million
- Cash-flow freed up through FY 2023 = \$7.19 Million



A	B	C	D	C + D = E
Fiscal Year	Existing Enterprise Fund Debt Service	Resulting Sewer Fund Debt Service	Resulting Water Fund Debt Service	Total Resulting Enterprise Fund Debt Service ⁽¹⁾
Total	\$58,700,737	\$46,339,686	\$14,361,654	\$60,701,340
2017	1,880,987	1,125,805	755,181	1,880,987
2018	1,883,524	862,684	489,424	1,352,108
2019	1,884,758	1,074,750	555,227	1,629,977
2020	3,200,281	1,168,086	558,022	1,726,108
2021	4,816,149	1,418,431	671,103	2,089,534
2022	3,852,113	1,655,904	679,104	2,335,008
2023	3,838,560	2,481,708	666,526	3,148,233
2024	3,827,756	2,524,068	664,162	3,188,230
2025	3,809,383	2,519,035	666,852	3,185,887
2026	3,818,942	2,518,753	664,173	3,182,926
2027	3,824,682	2,522,963	666,126	3,189,088
2028	3,836,853	2,501,208	667,709	3,168,917
2029	3,841,306	2,497,138	663,662	3,160,800
2030	3,842,139	2,492,838	664,381	3,157,218
2031	3,118,228	2,487,271	664,536	3,151,807
2032	3,111,161	2,485,940	664,819	3,150,759
2033	2,875,665	2,463,571	665,250	3,128,821
2034	1,438,250	2,460,524	666,621	3,127,145
2035	-	2,274,068	667,591	2,941,659
2036	-	2,264,556	667,276	2,931,832
2037	-	2,265,895	665,638	2,931,533
2038	-	2,274,493	668,271	2,942,764

(1) Estimated results shown above are preliminary, subject to change. Based on Middleburg Tax-Exempt interest rate and estimated market rates for a taxable public sale as of June 26, 2017. Actual results may vary substantially from these estimates.

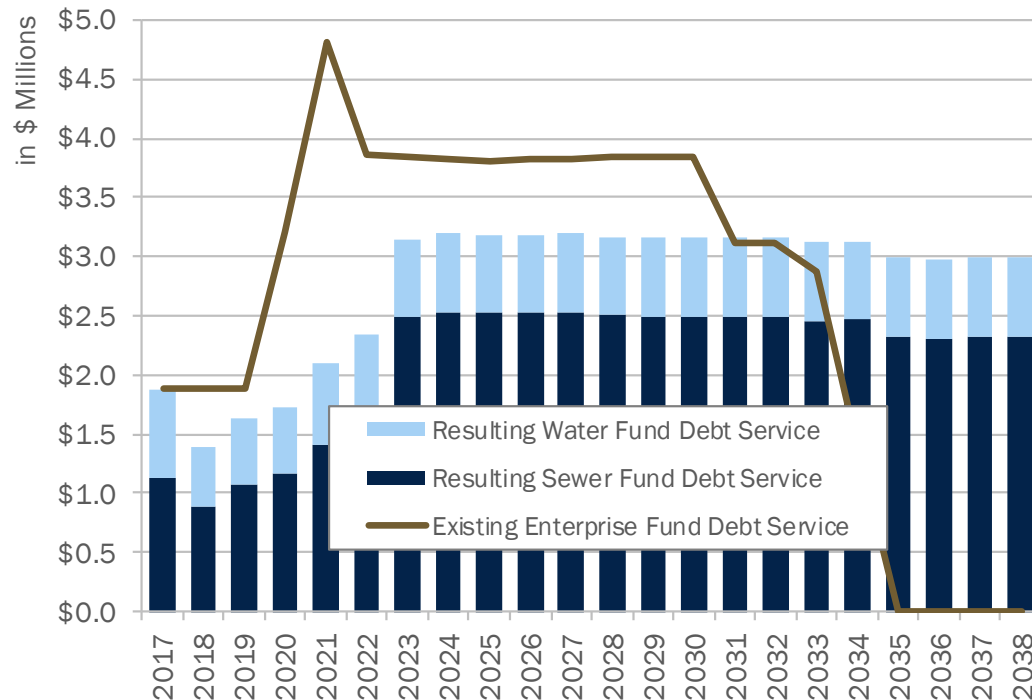
Middleburg 15-Year Tax-Exempt & Public Taxable Sale

Rate Reset at average 5-Year Treasury Index since 1990 (6.36%)



- Shown below are estimated results of 1.) issuing the 2017A Bond through a 15-Year Direct Bank Loan with Middleburg Bank; 2.) issuing the remaining Taxable Bonds through a Public Sale; and, 3.) Defeating the 2010 Build America Bond.
Note: Assumes the Town uses \$1.9 million of cash reserves to pay off the remaining 2010 BAB.⁽¹⁾

- Tax-Exempt TIC = 3.34%
- Taxable TIC = 3.42%
- Subject to Reset = \$2.48 Million
- Cash-flow freed up through FY 2023 = \$7.16 Million



A	B	C	D	C + D = E
Fiscal Year	Existing Enterprise Fund Debt Service	Resulting Sewer Fund Debt Service	Resulting Water Fund Debt Service	Total Resulting Enterprise Fund Debt Service ⁽¹⁾
Total	\$58,700,737	\$46,559,961	\$14,415,159	\$60,975,120
2017	1,880,987	1,125,805	755,181	1,880,987
2018	1,883,524	885,915	497,315	1,383,230
2019	1,884,758	1,074,937	555,227	1,630,164
2020	3,200,281	1,168,274	558,022	1,726,296
2021	4,816,149	1,418,619	671,103	2,089,722
2022	3,852,113	1,656,091	679,104	2,335,196
2023	3,838,560	2,481,895	666,526	3,148,421
2024	3,827,756	2,524,255	669,162	3,193,417
2025	3,809,383	2,519,223	666,709	3,185,932
2026	3,818,942	2,518,940	669,031	3,187,971
2027	3,824,682	2,523,150	670,841	3,193,991
2028	3,836,853	2,501,395	667,282	3,168,677
2029	3,841,306	2,497,325	668,234	3,165,560
2030	3,842,139	2,493,025	668,811	3,161,836
2031	3,118,228	2,487,459	668,823	3,156,282
2032	3,111,161	2,486,128	668,964	3,155,092
2033	2,875,665	2,460,596	668,528	3,129,124
2034	1,438,250	2,462,758	667,571	3,130,329
2035	-	2,326,348	666,897	2,993,245
2036	-	2,312,563	669,824	2,982,387
2037	-	2,318,944	670,996	2,989,940
2038	-	2,316,317	671,007	2,987,324

(1) Estimated results shown above are preliminary, subject to change. Based on Middleburg Tax-Exempt interest rate and estimated market rates for a taxable public sale as of June 26, 2017. Actual results may vary substantially from these estimates.

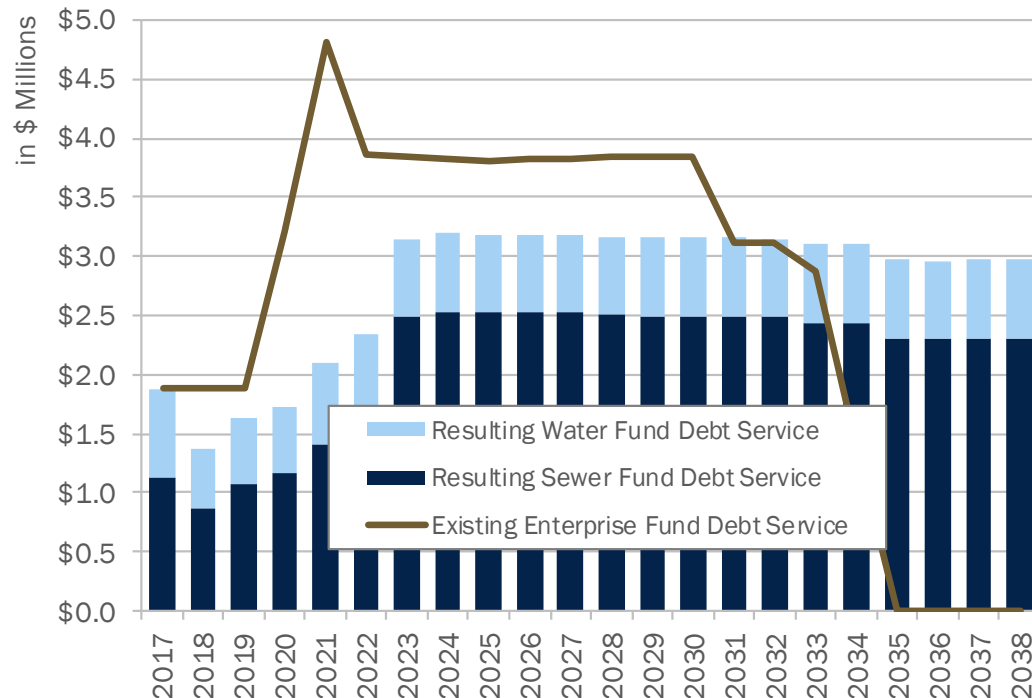
Middleburg 15-Year Tax-Exempt & Public Taxable Sale

Breakeven 5-Year Treasury Rate Reset with Sterling (5.00%)



- Shown below are estimated results of 1.) issuing the 2017A Bond through a 15-Year Direct Bank Loan with Middleburg Bank; 2.) issuing the remaining Taxable Bonds through a Public Sale; and, 3.) Defeating the 2010 Build America Bond.
Note: Assumes the Town uses \$1.9 million of cash reserves to pay off the remaining 2010 BAB.⁽¹⁾

- Tax-Exempt TIC = 3.15%
- Taxable TIC = 3.42%
- Subject to Reset = \$2.49 Million
- Cash-flow freed up through FY 2023 = \$7.18 Million



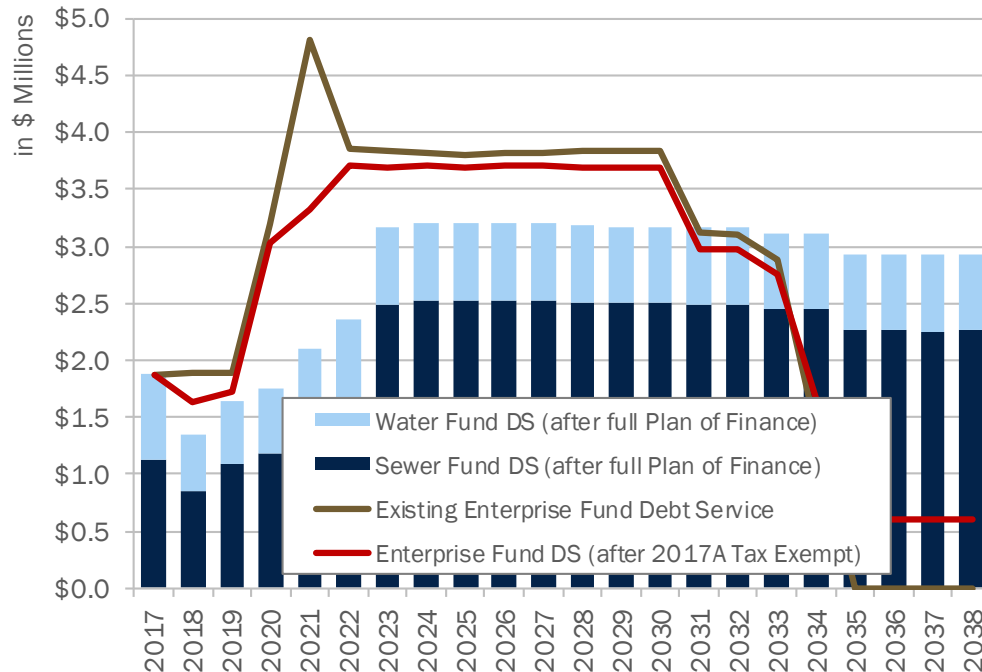
A	B	C	D	C + D = E
Fiscal Year	Existing Enterprise Fund Debt Service	Resulting Sewer Fund Debt Service	Resulting Water Fund Debt Service	Total Resulting Enterprise Fund Debt Service ⁽¹⁾
Total	\$58,700,737	\$46,435,618	\$14,379,861	\$60,815,479
2017	1,880,987	1,125,805	755,181	1,880,987
2018	1,883,524	872,119	492,585	1,364,705
2019	1,884,758	1,074,937	555,227	1,630,164
2020	3,200,281	1,168,274	558,022	1,726,296
2021	4,816,149	1,418,619	671,103	2,089,722
2022	3,852,113	1,656,091	679,104	2,335,196
2023	3,838,560	2,481,895	666,526	3,148,421
2024	3,827,756	2,524,255	669,162	3,193,417
2025	3,809,383	2,519,223	666,709	3,185,932
2026	3,818,942	2,518,940	669,031	3,187,971
2027	3,824,682	2,523,150	665,841	3,188,991
2028	3,836,853	2,501,395	667,424	3,168,820
2029	3,841,306	2,497,325	668,377	3,165,702
2030	3,842,139	2,493,025	668,953	3,161,978
2031	3,118,228	2,487,459	668,966	3,156,424
2032	3,111,161	2,486,128	664,107	3,150,234
2033	2,875,665	2,435,640	665,256	3,100,896
2034	1,438,250	2,438,550	665,681	3,104,231
2035	-	2,307,888	665,981	2,973,869
2036	-	2,299,225	664,950	2,964,175
2037	-	2,301,000	667,550	2,968,550
2038	-	2,304,675	664,125	2,968,800

(1) Estimated results shown above are preliminary, subject to change. Based on Middleburg Tax-Exempt interest rate and estimated market rates for a taxable public sale as of June 26, 2017. Actual results may vary substantially from these estimates.

Sterling 20-Year Tax-Exempt & Public Taxable Sale



- Shown below are estimated results of 1.) the 2017A Bond issued through a 20-Year Direct Bank Loan with Sterling; 2.) the remaining Taxable Bonds issuing through a Public Sale; and, 3.) Defeasing the 2010 Build America Bond. *Note: Assumes the Town uses \$1.9 million of cash reserves to pay off the remaining 2010 BAB.*⁽¹⁾
- Tax-Exempt TIC = 3.22%
- Taxable TIC = 3.42%
- Subject to Reset = N/A
- Cash-flow freed up through FY 2023 = \$7.12 Million



A	B	C	D	C + D = E
Fiscal Year	Existing Enterprise Fund Debt Service	Resulting Sewer Fund Debt Service	Resulting Water Fund Debt Service	Total Resulting Enterprise Fund Debt Service ⁽¹⁾
Total	\$58,700,737	\$46,387,909	\$14,423,546	\$60,811,455
2017	1,880,987	1,125,805	755,181	1,880,987
2018	1,883,524	855,883	489,075	1,344,958
2019	1,884,758	1,085,017	562,923	1,647,940
2020	3,200,281	1,178,206	565,607	1,743,813
2021	4,816,149	1,428,440	678,577	2,107,017
2022	3,852,113	1,665,487	686,319	2,351,806
2023	3,838,560	2,491,087	668,556	3,159,643
2024	3,827,756	2,533,299	665,761	3,199,060
2025	3,809,383	2,528,100	667,964	3,196,065
2026	3,818,942	2,527,651	669,799	3,197,450
2027	3,824,682	2,531,713	666,104	3,197,817
2028	3,836,853	2,509,847	667,201	3,177,049
2029	3,841,306	2,505,407	667,945	3,173,352
2030	3,842,139	2,500,737	668,331	3,169,068
2031	3,118,228	2,494,801	668,264	3,163,064
2032	3,111,161	2,493,100	668,344	3,161,443
2033	2,875,665	2,447,790	665,207	3,112,997
2034	1,438,250	2,445,216	667,535	3,112,751
2035	-	2,264,233	669,204	2,933,437
2036	-	2,258,043	669,631	2,927,674
2037	-	2,257,833	668,778	2,926,611
2038	-	2,260,215	667,239	2,927,454

(1) Estimated results shown above are preliminary, subject to change. Based on Sterling 20-Year Tax-Exempt interest rate and estimated market rates for a taxable public sale as of June 26, 2017. Actual results may vary substantially from these estimates.

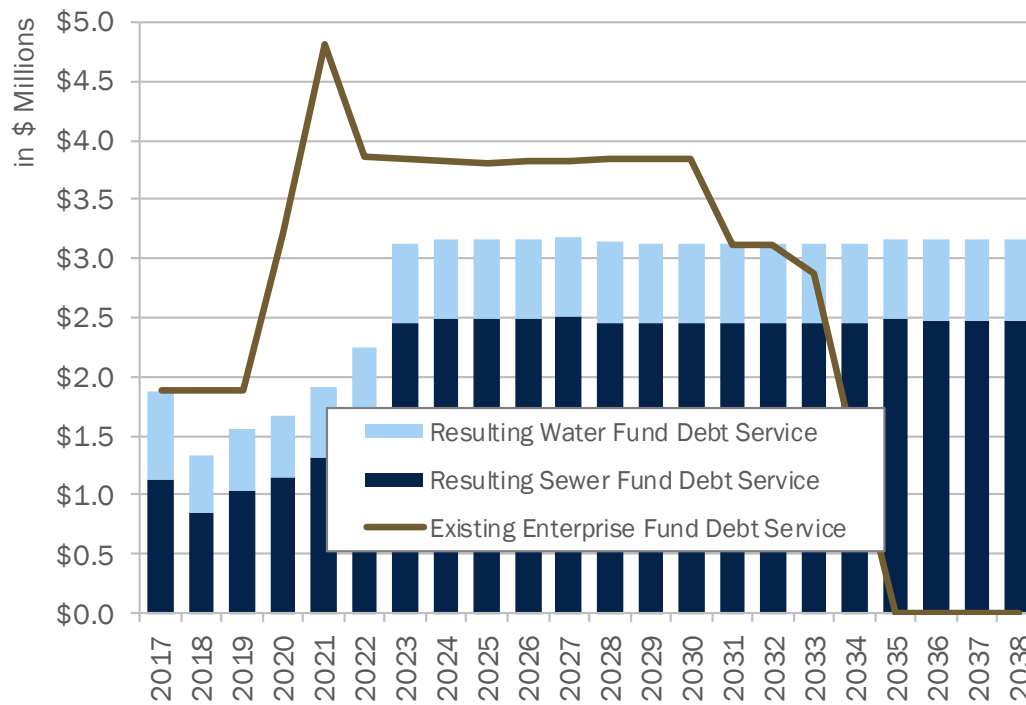
Public Sale

2017A Tax-Exempt Refinancing, 2017B&C Taxable Refinancing



- Shown below are estimated results of 1.) issuing the 2017A Bond through a Tax-Exempt Public Sale; 2.) issuing the remaining Taxable Bonds through a Public Sale; and, 3.) Defeasing the 2010 Build America Bond. *Note: Assumes the Town uses \$1.9 million of cash reserves to pay off the remaining 2010 BAB.*⁽¹⁾

- Tax-Exempt TIC = 2.96%
- Taxable TIC = 3.42%
- Subject to Reset = N/A
- Savings through FY 2023 = \$7.62 Million



A	B	C	D	C + D = E
Fiscal Year	Existing Enterprise Fund Debt Service	Resulting Sewer Fund Debt Service	Resulting Water Fund Debt Service	Total Resulting Enterprise Fund Debt Service ⁽¹⁾
Total	\$58,700,737	\$46,631,984	\$14,315,731	\$60,947,715
2017	1,880,987	1,125,805	755,181	1,880,987
2018	1,883,524	853,503	475,207	1,328,710
2019	1,884,758	1,040,712	526,247	1,566,959
2020	3,200,281	1,145,189	529,897	1,675,086
2021	4,816,149	1,311,389	603,833	1,915,222
2022	3,852,113	1,612,139	633,829	2,245,968
2023	3,838,560	2,454,510	672,676	3,127,186
2024	3,827,756	2,493,010	675,072	3,168,082
2025	3,809,383	2,489,260	672,349	3,161,610
2026	3,818,942	2,495,260	674,408	3,169,668
2027	3,824,682	2,510,610	675,948	3,186,558
2028	3,836,853	2,459,710	677,119	3,136,830
2029	3,841,306	2,457,290	672,772	3,130,062
2030	3,842,139	2,454,640	673,206	3,127,846
2031	3,118,228	2,450,724	673,121	3,123,844
2032	3,111,161	2,451,043	673,172	3,124,214
2033	2,875,665	2,452,753	675,006	3,127,759
2034	1,438,250	2,450,750	677,331	3,128,081
2035	-	2,485,338	673,931	3,159,269
2036	-	2,479,050	674,450	3,153,500
2037	-	2,478,625	673,700	3,152,325
2038	-	2,480,675	677,275	3,157,950

(1) Estimated results shown above are preliminary, subject to change. Based on estimated market rates for a Tax-Exempt and Taxable public sale as of June 26, 2017. Actual results may vary substantially from these estimates.

Middleburg 15-Year Tax-Exempt & Public Taxable Sale

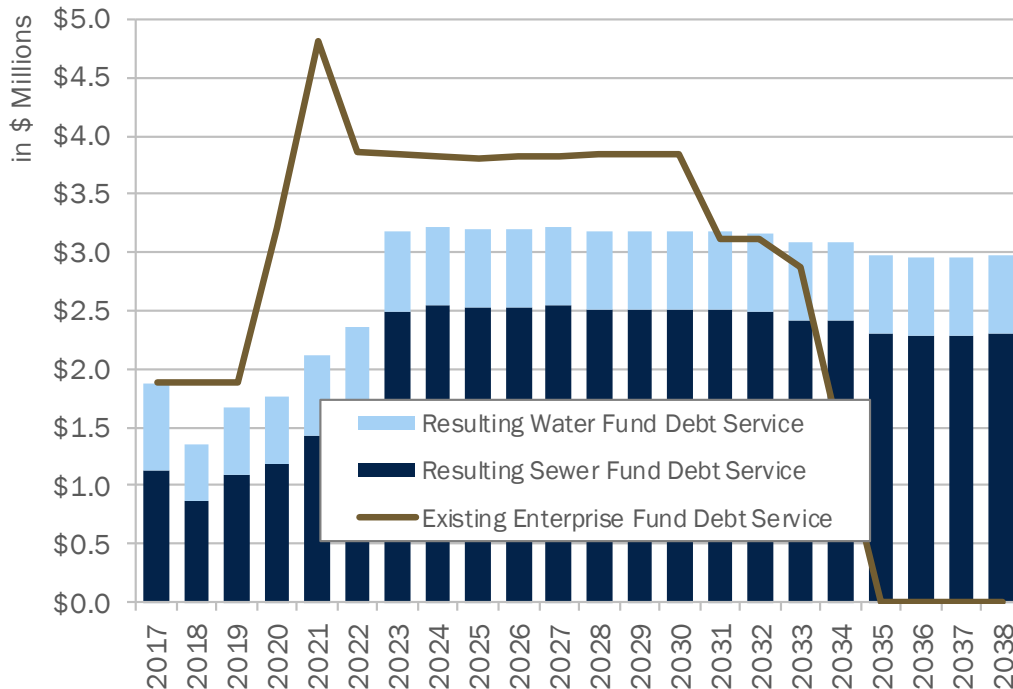
Initial Rate at 3.51% (Corporate Tax Rate Change)

Rate Reset at current 5-Year Treasury Rate Index (4.08%)



- Shown below are estimated results of 1.) issuing the 2017A Bond through a 15-Year Direct Bank Loan with Middleburg Bank; 2.) issuing the remaining Taxable Bonds through a Public Sale; and, 3.) Defeating the 2010 Build America Bond.
Note: Assumes the Town uses \$1.9 million of cash reserves to pay off the remaining 2010 BAB.⁽¹⁾

- Tax-Exempt TIC = 3.58%
- Taxable TIC = 3.42%
- Subject to Reset = \$2.54 Million
- Cash-flow freed up through FY 2023 = \$7.04 Million



A	B	C	D	C + D = E
Fiscal Year	Existing Enterprise Fund Debt Service	Resulting Sewer Fund Debt Service	Resulting Water Fund Debt Service	Total Resulting Enterprise Fund Debt Service ⁽¹⁾
Total	\$58,700,737	\$46,581,257	\$14,509,648	\$61,090,905
2017	1,880,987	1,125,805	755,181	1,880,987
2018	1,883,524	866,248	494,586	1,360,834
2019	1,884,758	1,093,125	568,747	1,661,872
2020	3,200,281	1,186,201	571,347	1,757,548
2021	4,816,149	1,436,351	684,233	2,120,584
2022	3,852,113	1,673,076	691,779	2,364,856
2023	3,838,560	2,498,523	673,876	3,172,398
2024	3,827,756	2,540,623	670,647	3,211,270
2025	3,809,383	2,535,298	672,374	3,207,672
2026	3,818,942	2,534,723	668,733	3,203,456
2027	3,824,682	2,538,673	669,723	3,208,396
2028	3,836,853	2,516,723	670,344	3,187,067
2029	3,841,306	2,512,003	670,822	3,182,825
2030	3,842,139	2,512,053	670,956	3,183,008
2031	3,118,228	2,500,686	670,721	3,171,407
2032	3,111,161	2,498,705	670,647	3,169,352
2033	2,875,665	2,418,758	671,474	3,090,232
2034	1,438,250	2,422,174	672,641	3,094,815
2035	-	2,297,018	673,407	2,970,425
2036	-	2,286,831	672,888	2,959,719
2037	-	2,292,470	671,046	2,963,516
2038	-	2,295,193	673,475	2,968,668

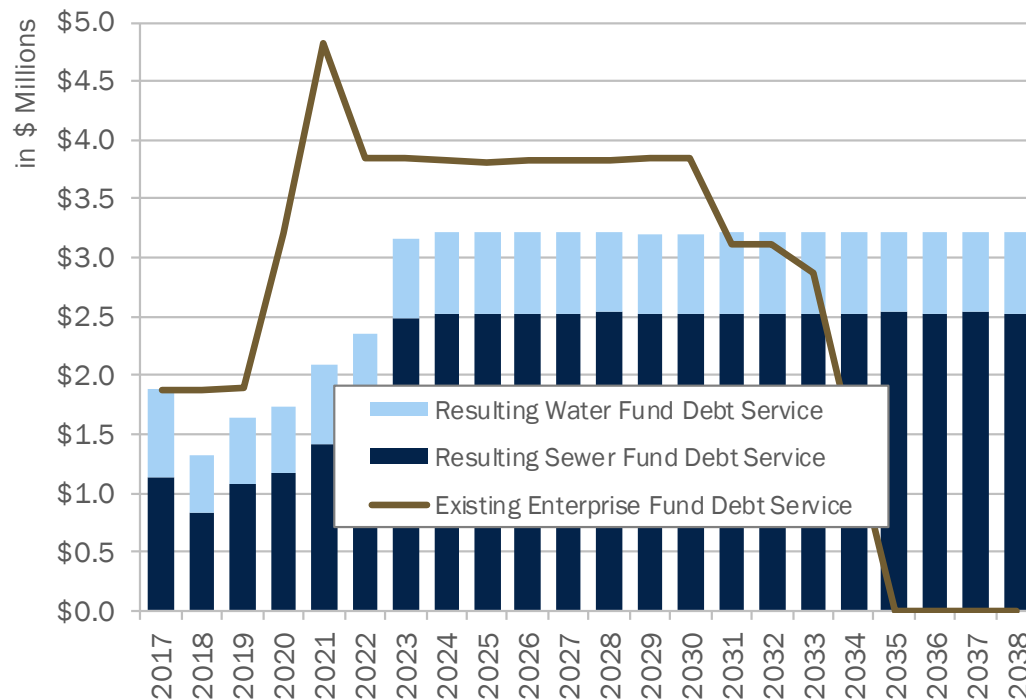
(1) Estimated results shown above are preliminary, subject to change. Based on Middleburg Tax-Exempt interest rate and estimated market rates for a taxable public sale as of June 26, 2017. Actual results may vary substantially from these estimates.

Estimate Presented at May 23 Town Council Meeting



- Shown below are estimated results of 1.) issuing the 2017A Bond through a Tax-Exempt Public Sale; 2.) issuing the remaining Taxable Bonds through a Public Sale; and, 3.) Defeasing the 2010 Build America Bond. *Note: Assumes the Town uses \$1.9 million of cash reserves to pay off the remaining 2010 BAB.*⁽¹⁾

- Tax-Exempt TIC = 3.48%
- Taxable TIC = 3.72%
- Subject to Reset = N/A
- Savings through FY 2023 = \$7.16 Million



A	B	C	D	C + D = E
Fiscal Year	Existing Enterprise Fund Debt Service	Resulting Sewer Fund Debt Service	Resulting Water Fund Debt Service	Total Resulting Enterprise Fund Debt Service ⁽¹⁾
Total	\$58,700,737	\$47,704,161	\$14,696,759	\$62,400,921
2017	1,880,987	1,125,805	755,181	1,880,987
2018	1,883,524	838,497	486,888	1,325,386
2019	1,884,758	1,081,728	560,559	1,642,287
2020	3,200,281	1,171,204	564,209	1,735,413
2021	4,816,149	1,419,254	673,145	2,092,399
2022	3,852,113	1,661,274	684,503	2,345,778
2023	3,838,560	2,482,726	686,755	3,169,481
2024	3,827,756	2,524,451	687,867	3,212,318
2025	3,809,383	2,524,929	683,323	3,208,252
2026	3,818,942	2,524,941	683,324	3,208,266
2027	3,824,682	2,524,721	687,619	3,212,341
2028	3,836,853	2,534,171	686,091	3,220,262
2029	3,841,306	2,522,171	685,818	3,207,990
2030	3,842,139	2,520,346	685,077	3,205,423
2031	3,118,228	2,527,310	683,617	3,210,927
2032	3,111,161	2,525,585	687,699	3,213,284
2033	2,875,665	2,530,630	683,634	3,214,264
2034	1,438,250	2,529,730	683,750	3,213,480
2035	-	2,535,108	686,040	3,221,148
2036	-	2,530,815	687,310	3,218,125
2037	-	2,537,905	687,560	3,225,465
2038	-	2,530,858	686,790	3,217,648




(1) Estimated results shown above are preliminary, subject to change. Based on estimated market rates for a public sale as of May 23, 2017. Actual results may vary substantially from these estimates.

Detailed Summary of RFP Results

Summary of Bids

2017A Bond – Tax Exempt






Middleburg Bank					Sterling National Bank	Texas Capital Bank
	 Middleburg Bank					 TEXAS CAPITAL BANK®
	Option A-1	Option A-2	Option A-3	Option A-4	Option A-1	Option A-1
Purpose	Refund 2013A bonds for debt service savings.				Refund 2013A bonds for debt service savings.	Refund 2013A bonds for debt service savings.
Maximum Par Amount	\$5,000,000				\$5,000,000	\$5,000,000
Tax Treatment	Tax-Exempt.				Tax-Exempt.	Tax-Exempt.
Bank Qualification	Bank Qualified.		Non-Bank Qualified.		Bank Qualified.	Non-Bank Qualified.
Security	General Obligation Pledge.				General Obligation Pledge.	General Obligation Pledge.
Final Maturity	February 1, 2038				February 1, 2038	February 1, 2038
Interest Rate	2.700%	2.850%	2.800%	2.920%	3.220%	3.330%
Interest Mode	Reset to 5 year Treasury + 225 bps after 10 Years.	Reset to 5 year Treasury + 225 bps after 15 Years.	Reset to 5 year Treasury + 225 bps after 10 Years.	Reset to 5 year Treasury + 225 bps after 15 Years.	Fixed through Final Maturity.	Fixed through Final Maturity.
Prepayment Provisions	Prepayable in whole or in part with a 3% premium in years 1-2, 2% premium in years 3-5, 1% premium in years 6-14 and without penalty thereafter.				Non-Callable in years 1-5, prepayable in whole with a 2% premium in years 6-10 years, a 1% premium in years 11-15, and without penalty thereafter.	Prepayable in whole any time on or after August 1, 2024 without penalty.
Bank / Legal Fees	No Bank Counsel Fees. No other fees specified.				\$5,000 Bank Counsel Fee per series.	Bank Counsel Fees not to exceed \$3,500.
Proposal to be Accepted by	Not Specified.				July 12, 2017	July 12, 2017
Rates held through	August 15, 2017				July 28, 2017	July 31, 2017
Notes and Other Terms & Conditions	Provide CAFR within 210 days after fiscal year end. The Bank is able to move through final underwriting to commitment within ten business days of the Town's acceptance of the proposal. If the Bank's highest Federal marginal income tax rate decreases, the interest rate shall be increased by multiplying the interest rate by 100% minus the bank's tax rate after the change then dividing by 100% minus the bank's tax rate prior to the change.				Subject to credit approval by Purchaser. Three most recent CAFRs, most recent budget, complete equipment listing, copy of equipment contracts, and other info will be necessary. Purchaser reserves the right to obtain confidential or public rating on the Bonds.	Provide CAFR within 270 days of fiscal year end. Purchaser reserves the right to assign, sell or otherwise transfer the bond. Subject to Final Credit Approval.

Summary of Bids

2017A Bond – Tax Exempt






	SunTrust				Pinnacle	Capital One
						
	Option A-1	Option A-2	Option A-3	Option A-4	Option A-1	Option A-1
Purpose	Refund 2013A bonds for debt service savings.				Refund 2013A bonds for debt service savings.	Refund 2013A bonds for debt service savings.
Maximum Par Amount	\$5,000,000				\$5,000,000	\$5,000,000
Tax Treatment	Tax-Exempt.				Tax-Exempt.	Tax-Exempt.
Bank Qualification	Bank Qualified.		Non-Bank Qualified.		Non-Bank Qualified.	Non-Bank Qualified.
Security	General Obligation Pledge.				General Obligation Pledge.	General Obligation Pledge.
Final Maturity	February 1, 2029 (12 year final maturity with balloon payment).				February 1, 2038	February 1, 2038
Interest Rate	2.390%	2.900%	2.770%	3.360%	3.280%	3.550%
Interest Mode	Fixed through Final Maturity.				Fixed through Final Maturity.	Fixed through Final Maturity.
Prepayment Provisions	Make whole Call.	Prepayable in whole or in part at any time without penalty.	Make whole Call.	Prepayable in whole or in part at any time without penalty.	Prepayable in whole on or after February 1, 2027.	Prepayable in whole on any interest payment date beginning February 1, 2027.
Bank / Legal Fees	Borrower pays all costs and expenses of Lender in connection with Loan, including Bank Counsel, not to exceed \$6,500.				Bank Counsel fees of \$5,000.	Normal borrower costs. No legal fees.
Proposal to be Accepted by	July 28, 2017				Not Specified.	June 30, 2017
Rates held through	July 28, 2017				July 31, 2017	July 28, 2017
Notes and Other Terms & Conditions	Subject to final credit approval. Borrower will provide past 3 financial statement, organizational documents, an explanation of economics among ownership and organizational chart of ownership interest within 30 days of execution of letter. If the Loan does not close by the closing date, Bank Counsel fees may rise. A decrease in the corporate tax rate allows the Bank to adjust the interest rate of the loan to meet the previous after-tax yield.				Provide CAFR within 210 days after fiscal year end. Subject to final credit approval.	Provide CAFR within 270 after fiscal year end. Subject to final credit approval.

Summary of Bids

2017A Bond – Taxable






	Middleburg		Sterling	Texas Capital
	 Middleburg Bank		 STERLING NATIONAL BANK	 TEXAS CAPITAL BANK®
	Option A-5	Option A-6	Option A-2	Option A-2
Purpose	Refund 2008 & 2013B bonds for debt service savings.		Refund 2013A bonds for debt service savings.	Refund 2013A bonds for debt service savings.
Maximum Par Amount	\$4,350,000		\$5,000,000	\$5,000,000
Tax Treatment	Taxable.		Taxable.	Taxable.
Bank Qualification	Non-Bank Qualified.		Non-Bank Qualified.	Non-Bank Qualified.
Security	General Obligation Pledge.		General Obligation Pledge.	General Obligation Pledge.
Final Maturity	February 1, 2038		February 1, 2038	February 1, 2038
Interest Rate	4.075%	4.325%	4.950%	5.200%
Interest Mode	Reset to 5 year Treasury + 225 bps after 10 Years.	Reset to 5 year Treasury + 225 bps after 15 Years.	Fixed through Final Maturity.	Fixed through Final Maturity.
Prepayment Provisions	Prepayable in whole or in part with a 3% premium in years 1-2, 2% premium in years 3-5, 1% premium in years 6-14 and without penalty thereafter.		Non-Callable in years 1-5, prepayable in whole with a 2% premium in years 6-10 years, a 1% premium in years 11-15, and without penalty thereafter.	Prepayable in whole any time on or after August 1, 2024 without penalty.
Bank / Legal Fees	No Bank Counsel Fees. No other fees specified.		\$5,000 Bank Counsel Fee per series.	Not to exceed \$3,500.
Proposal to be Accepted by	Not Specified.		July 12, 2017	July 12, 2017
Rates held through	August 15, 2017		July 28, 2017	July 31, 2017
Notes and Other Terms & Conditions	<p>Provide CAFR within 210 days after fiscal year end.</p> <p>Bank is able to move through final underwriting to commitment within ten business days of the Town's acceptance of the proposal.</p> <p>If the Bank's highest Federal marginal income tax rate decreases, the interest rate shall be increased by multiplying the interest rate by 100% minus the bank's tax rate after the change then dividing by 100% minus the bank's tax rate prior to the change.</p>		<p>Subject to credit approval by Purchaser.</p> <p>Three most recent CAFRs, most recent budget, complete equipment listing, copy of equipment contracts, and other info will be necessary.</p> <p>Purchaser reserves the right to obtain confidential or public rating on the Bonds.</p>	<p>Provide CAFR within 270 days of fiscal year end.</p> <p>Purchaser reserves the right to assign, sell or otherwise transfer the bond.</p> <p>Subject to Final Credit Approval.</p>

Summary of Bids




2017A Bond – Taxable



	SunTrust		Pinnacle	Capital One
				
	Option A-5	Option A-6	Option A-2	Option A-2
Purpose	Refund 2013A bonds for debt service savings.		Refund 2013A bonds for debt service savings.	Refund 2013A bonds for debt service savings.
Maximum Par Amount	\$5,000,000		\$5,000,000	\$5,000,000
Tax Treatment	Taxable.		Taxable	Taxable
Bank Qualification	Non-Bank Qualified.		Non-Bank Qualified	Non-Bank Qualified
Security	General Obligation Pledge.		General Obligation Pledge	General Obligation Pledge
Final Maturity	12 years after closing with balloon payment at end.		February 1, 2038	February 1, 2038
Interest Rate	3.650%	4.420%	5.050%	5.500%
Interest Mode	Fixed through Final Maturity.		Fixed through Final Maturity.	Fixed through Final Maturity.
Prepayment Provisions	Prepayable in whole or in part at any time with an additional fee.	Prepayable in whole or in part at any time with no penalty.	Prepayable in whole on or after February 1, 2027.	Prepayable in whole on any interest payment date beginning February 1, 2027.
Bank / Legal Fees	Borrower pays all costs and expenses of Lender in connection with Loan, including Bank counsel, not to exceed \$6,500.		Bank Counsel fees of \$5,000.	Normal borrower costs. No legal fees.
Proposal to be Accepted by	July 28, 2017			June 30, 2017
Rates held through	July 28, 2017		July 31, 2017	July 28, 2017
Notes and Other Terms & Conditions	<p>Subject to final credit approval.</p> <p>Borrower will provide past 3 financial statement, organizational documents, an explanation of economics among ownership and organizational chart of ownership interest within 30 days of execution of letter.</p> <p>If the Loan does not close by the closing date, Bank Counsel fees may rise.</p> <p>A decrease in the corporate tax rate allows the Bank to adjust the interest rate of the loan to meet the previous after-tax yield.</p>		<p>Provide CAFR within 210 days after</p> <p>Subject to final credit approval.</p>	<p>Provide CAFR within 270 after fiscal</p> <p>Subject to final credit approval.</p>

Summary of Bids



2017B Bond – Taxable

	Middleburg		Sterling	Capital One
				
	Option B-1	Option B-2	Option B-1	Option B-1
Purpose	Refund 2013A bonds for debt service savings.		Refund 2013A bonds for debt service savings.	Refund 2013A bonds for debt service savings.
Maximum Par Amount	\$11,500,000		\$11,500,000	\$11,500,000
Tax Treatment	Taxable.		Taxable.	Taxable.
Bank Qualification	Non-Bank Qualified.		Non-Bank Qualified.	Non-Bank Qualified.
Security	General Obligation Pledge.		General Obligation Pledge.	General Obligation Pledge.
Final Maturity	February 1, 2038		February 1, 2038	February 1, 2038
Interest Rate	4.075%	4.325%	4.950%	5.700%
Interest Mode	Reset to 5 year Treasury + 225 bps after 10 Years.	Reset to 5 year Treasury + 225 bps after 15 Years.	Fixed through Final Maturity.	Fixed through Final Maturity.
Prepayment Provisions	Prepayable in whole or in part with a 3% premium in years 1-2, 2% premium in years 3-5, 1% premium in years 6-14 and without penalty thereafter.		Non-Callable in years 1-5, prepayable in whole with a 2% premium in years 6-10 years, a 1% premium in years 11-15, and without penalty thereafter.	Prepayable in whole on any interest payment date beginning February 1, 2027.
Bank / Legal Fees	No Bank Counsel Fees. No other fees specified.		\$5,000 Bank Counsel Fee per series.	Normal borrower costs. No legal fees.
Proposal to be Accepted by	Not Specified.		July 12, 2017	June 30, 2017
Rates held through	August 15, 2017		July 28, 2017	July 28, 2017
Notes and Other Terms & Conditions	<p>Provide CAFR within 210 days after fiscal year end.</p> <p>Bank is able to move through final underwriting to commitment within ten business days of the Town's acceptance of the proposal.</p> <p>If the Bank's highest Federal marginal income tax rate decreases, the interest rate shall be increased by multiplying the interest rate by 100% minus the bank's tax rate after the change then dividing by 100% minus the bank's tax rate prior to the change.</p>		<p>Subject to credit approval by Purchaser. Three most recent CAFRs, most recent budget, complete equipment listing, copy of equipment contracts, and other info will be necessary.</p> <p>Purchaser reserves the right to obtain confidential or public rating on the Bonds.</p>	<p>Provide CAFR within 270 after fiscal year end.</p> <p>Subject to final credit approval.</p>

Summary of Bids

2017C Bond – Taxable



	Middleburg		Sterling
	 Middleburg Bank		 STERLING NATIONAL BANK
	Option C-1	Option C-2	Option C-1
Purpose	Refund 2008 & 2013B bonds for debt service savings.		Refund 2008 & 2013B bonds for debt service savings.
Maximum Par Amount	\$4,350,000		\$4,350,000
Tax Treatment	Taxable.		Taxable.
Bank Qualification	Non-Bank Qualified.		Non-Bank-Qualified.
Security	General Obligation Pledge.		General Obligation Pledge.
Final Maturity	February 1, 2038		February 1, 2038.
Interest Rate	4.075%	4.325%	4.950%
Interest Mode	Reset to 5 year Treasury + 225 bps after 10 Years.	Reset to 5 year Treasury + 225 bps after 15 Years.	Fixed through Final Maturity.
Prepayment Provisions	Prepayable in whole or in part with a 3% premium in years 1-2, 2% premium in years 3-5, 1% premium in years 6-14 and without penalty thereafter.		Non-Callable in years 1-5, prepayable in whole with a 2% premium in years 6-10 years, a 1% premium in years 11-15, and without penalty thereafter.
Bank / Legal Fees	No Bank Counsel Fees. No other fees specified.		\$5,000 Bank Counsel Fee per series.
Proposal to be Accepted by	Not Specified.		July 12, 2017
Rates held through	August 15, 2017		July 28, 2017
Notes and Other Terms & Conditions	<p>Provide CAFR within 210 days after fiscal year end.</p> <p>Bank is able to move through final underwriting to commitment within ten business days of the Town's acceptance of the proposal.</p> <p>If the Bank's highest Federal marginal income tax rate decreases, the interest rate shall be increased by multiplying the interest rate by 100% minus the bank's tax rate after the change then dividing by 100% minus the bank's tax rate prior to the change.</p>		<p>Subject to credit approval by Purchaser.</p> <p>Three most recent CAFRs, most recent budget, complete equipment listing, copy of equipment contracts, and other info will be necessary.</p> <p>Purchaser reserves the right to obtain confidential or public rating on the Bonds.</p>

Municipal Advisor Disclaimer



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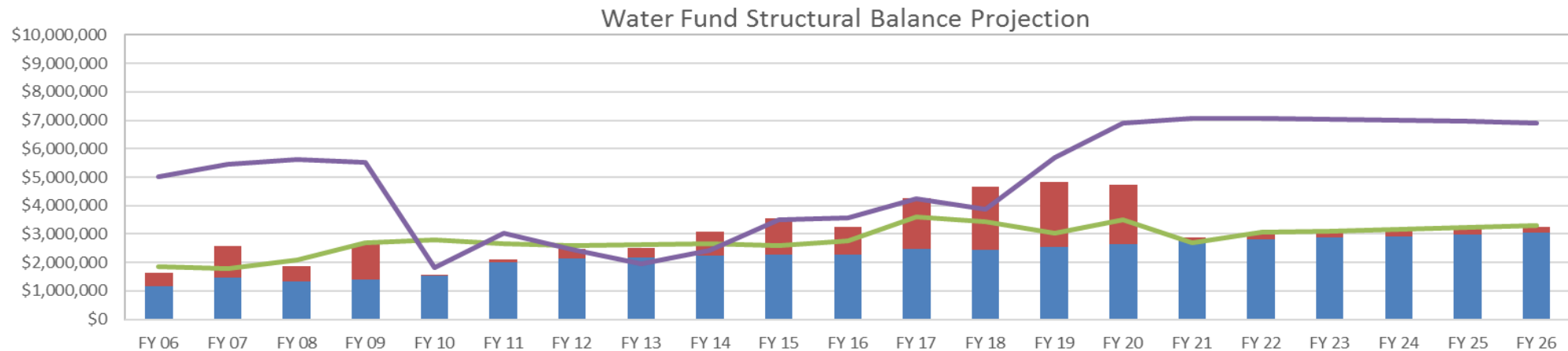
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Scenario #9A – With Debt Restructuring

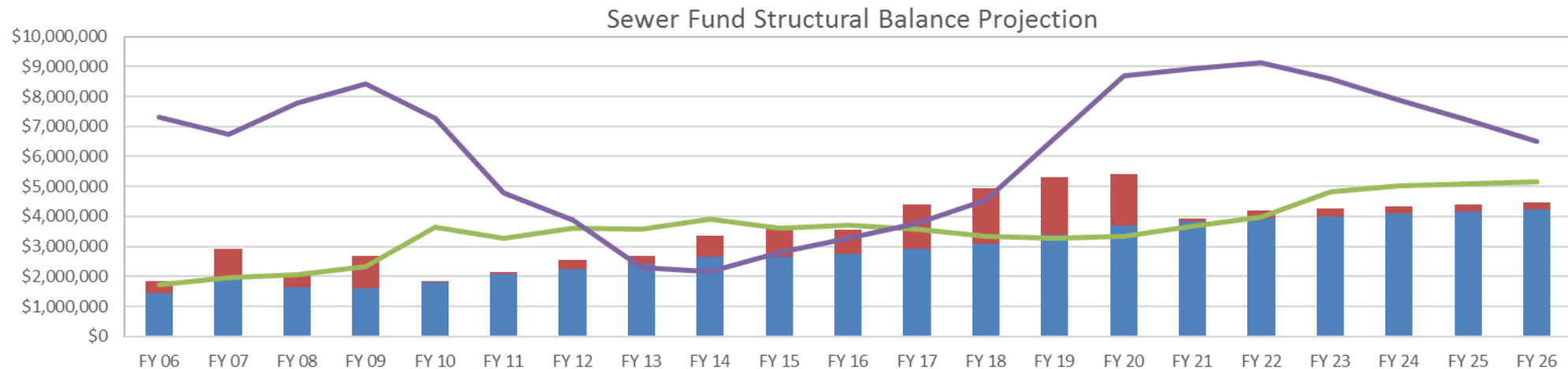
Phased Elimination of Chargeback and Transfer of Meals Tax

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Cumulative
Availabilities Sold	62	86	89	81	5	-	-	-	-	-	260
Water Rate Increase	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	19.5%
Sewer Rate Increase	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	19.5%
Water Rev. Impact	-	\$150,444	\$300,888	\$451,331	\$601,775	\$601,775	\$601,775	\$601,775	\$601,775	\$601,775	\$601,775
Sewer Rev. Impact	-	\$275,184	\$554,148	\$829,331	\$979,775	\$979,775	\$979,775	\$979,775	\$979,775	\$979,775	\$979,775



1% Meals Tax Revenue (100% WW):
 33% in FY 2018
 67% in FY 2019
 100% in FY 2020

■ Non-Recurring Revenues / Availabilities
 ■ Recurring Revenues
 — Recurring Expenditures and Debt Service
 — Cash & Cash Equivalents



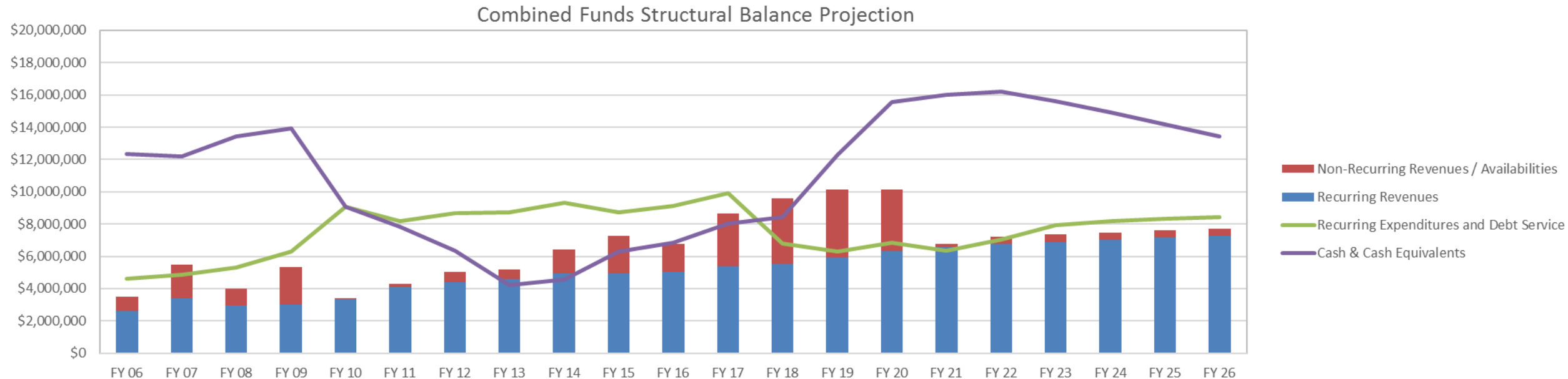
Chargeback Reduction:
 Split Evenly to W and WW
 25% in FY 2018
 50% in FY 2019
 75% in FY 2020
 100% in FY 2021

■ Non-Recurring Revenues / Availabilities
 ■ Recurring Revenues
 — Recurring Expenditures and Debt Service
 — Cash & Cash Equivalents

Scenario #9A -With Debt Restructuring

Phased Elimination of Chargeback and Transfer of Meals Tax

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Cumulative
Availabilities Sold	62	86	89	81	5	-	-	-	-	-	260
Water Rate Increase	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	19.5%
Sewer Rate Increase	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	19.5%
Water Rev. Impact	-	\$150,444	\$300,888	\$451,331	\$601,775	\$601,775	\$601,775	\$601,775	\$601,775	\$601,775	\$601,775
Sewer Rev. Impact	-	\$275,184	\$554,148	\$829,331	\$979,775	\$979,775	\$979,775	\$979,775	\$979,775	\$979,775	\$979,775



1% Meals Tax Revenue (100% WW):

33% in FY 2018

67% in FY 2019

100% in FY 2020

Chargeback Reduction, Split Evenly to W and WW:

25% in FY 2018

50% in FY 2019

75% in FY 2020

100% in FY 2021

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